SCENT OF HEALTHSTYLE

VANZO HOLDINGS BERHAD

202301051922 (1545836-M)

Annual Report 2024

VANZO®

SCENT OF HEALTHSTYLE

2024
IPO LISTING CEREMONY

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NEWS GALLERY

东南亚首家上市香氛品牌 VANZO火热登马股

chinapress.com.my/20241217/东南亚首家上市香氛品牌-vanzo火热登马股

December 17, 2024

（吉隆坡17日讯）VANZO控股（VANZO，0333，创业板消费）今日大热登马股，首日挂牌上升2.5仙至17.5仙，较每股15仙的发售价溢价16.7%。

截至上午9时15分，该股已进一步劲升23.3%或3.5仙，至18.5仙，成交量更超过8600万股，为马股最大热门股。

VANZO控股成立于2018年，主要从事空气香氛及相关产品的设计、行销与销售，产品涵盖汽车香氛、室内香氛，以及个人与家具护理产品。

该公司致力于成为东南亚知名香氛品牌，并计划在2026年前增设4家新零售亭，以进一步提升品牌知名度和扩大客户基础。

上市首日高奏凯歌 VANZO最高涨27%

enanyang.my/财经新闻/上市首日高奏凯歌-vanzo最高涨27

December 17, 2024

2024年12月17日

VANZO控股专注于提供高品质且对人体无害的香氛，迅速在香氛领域崭露头角。

东南亚首家挂牌的香氛企业——VANZO控股看准香氛商机，放眼于本月17日在马股创业板挂牌上市，朝着打造享誉全球的香氛品牌迈出坚实的一步。

根据招股书，该公司计划通过首发股（IPO）公开发行9335万1000股新股，并献售4667万5000股现有股，发售价为每股15仙。完成上市后，公司市值约为7000万令吉。

成立于2018年，VANZO控股主要从事空气香氛和香氛相关产品的设计、行销与销售，产品包括汽车香氛、室内香氛和个人与家具护理产品。

1

Saham syarikat pewangi udara, Vanzo dibuka 16.7% lebih tinggi pada penampilan pertama di Pasaran ACE

dagangnews.com/article/terkini/syarikat-pewangi-udara-vanzo-dibuka-167-lebih-tinggi-pada-penampilan-pertama-di-pasaran-ace-45985

December 17, 2024

DagangNews.com

Oleh NOR AZAN FITRI AHMAD HIDZIR

KUALA LUMPUR 17 Dis - Syarikat pewangi udara, Vanzo Holdings Bhd dibuka 16.7% lebih tinggi daripada tawaran awam permulaan (IPO) ketika membuat penampilan sulung di Pasaran ACE Bursa Malaysia, hari ini.

Saham syarikat itu dibuka pada 17.5 sen, lebih tinggi berbanding harga tawarannya 15 sen sesaham.

Berdasarkan modal saham Vanzo yang diperbesarkan sebanyak 466,751,100 saham dan harga IPO sebanyak 15 sen sesaham, jumlah permodalan pasaran syarikat adalah kira-kira RM70 juta.

Dengan sejumlah RM14 juta hasil kasar yang diperoleh daripada IPO, Vanzo akan menggunakan 47.2% (RM6.6 juta) daripada hasil untuk membiayai pengembangan perniagaan dan aktiviti pemasarannya dan 21.4% (RM3 juta) untuk pembayaran balik pinjaman bank .

Vanzo climbs 16.7% on ACE Market debut

thestar.com.my/business/business-news/2024/12/17/vanzo-climbs-167-on-ace-market-debut

The Star Online 17 December 2024

KUALA LUMPUR: Homegrown air fragrance company, Vanzo Holdings Bhd made a strong debut on the ACE Market of Bursa Malaysia, opening at 17.5 sen, up 16.7% from its initial public offering (IPO) price of 15 sen.

It is currently the most active counter on Bursa Malaysia, with 121.74 million shares traded. The counter rose 16.67%, or 2.5 sen, to 17.5 sen at 10 am.

The company aims to raise RM14mil through its IPO.

Vanzo has earmarked 47.2% of the proceeds for business expansion and marketing activities, 21.4% to repay bank borrowings, and the rest for working capital (5%) and listing-related expenses (26.5%).

The company's expansion will include a plan to set up four new retail kiosks to raise Vanzo's brand visibility and customer base.

M&A Securities Sdn Bhd is the IPO's principal adviser, sponsor, underwriter, and placement agent.

News Gallery
(Cont'd)

Vanzo IPO Oversubscribed By 66.71 Times

businesstoday.com.my/2024/12/09/vanzo-ipo-oversubscribed-by-66-71-times

Business Today Editorial

December 9, 2024

Vanzo Holdings Bhd's IPO for the ACE Market has recorded an oversubscription rate of 66.71 times for the 23.34 million shares allocated to the Malaysian public.

The company, which markets car fragrance and indoor fragrance products, said it received a total of 16,713 applications for 1.58 billion shares with a value of RM237 million from the Malaysian public.

The company said its total IPO involves the issuance of 93.35 million shares where 23.37 million shares were made available for eligible directors, employees and persons who have contributed to the group's success.

Previously, it was reported that Vanzo intended to raise RM14 million through its IPO en route to a listing on the ACE Market on Dec 17, 2024.

The company said it has earmarked 47.2% of the proceeds for business expansion and marketing activities, 21.4% to repay bank borrowings, and the rest for working capital (5%) and listing-related expenses (26.5%).

Vanzo noted that the expansion will include a plan to set up four new retail kiosks to raise Vanzo's brand visibility and customer base.

M&A Securities Sdn Bhd is the principal advisor, sponsor, underwriter and placement agent for this IPO. Eco Asia Capital Advisory Sdn Bhd is the financial advisor.

1/1

区域首家挂牌香氛品牌Vanzo控股 反应热烈超额认购81.7倍

enanyang.my/财经新闻/区域首家挂牌香氛品牌vanzo控股-反应热烈超额认购817倍

December 9, 2024

（吉隆坡6日讯）即将在下周二（17日）上市创业板的本土香氛品牌——Vanzo控股，首次公开募股（IPO）获得投资者热烈追捧，公众部分获得超额认购81.70倍。

根据周一的文告，该公司总共收到1万6713份申请，认购高达15亿8015万4800股，平均超额认购达66.71倍。

当中，土著部分获得8310份申请，欲认购6亿1508万9800股，超额认购51.71倍；而公众部分则接获8403份申请，申购9亿6506万5000股，超额认购高达81.70倍。

1/1

本土汽车香氛品牌 VANZO控股超额认购66.71倍 - 财经 - 即时财经

sinchew.com.my/news/20241209/finance/6137765

星洲网

December 9, 2024

（吉隆坡9日讯）本土汽车香氛品牌——VANZO控股配合首次公开售股（IPO）发行的新股获得66.71倍超额认购。

根据股票登记公司Tricor投资和服务有限公司文告，公众一共提交了1万6713份申请书，认购15亿8015万4800股，申请额为2亿3702万3220令吉，超额认购率为66.71倍。

其中，土著投资者提交8310份申请书，申请6亿1508万9800股，超额认购相等于51.71倍。同时，该公司也收到来自于其他公众的8403份申请书，共申请9亿6506万5000股，超额认购率为81.70倍。

成功申请者将在12月13日（周五）或之前收到通知。

VANZO控股预计将在12月17日（周二）在创业板上市。

DATE	:	10 DEC 2024
PUBLICATION	:	CHINA PRESS
SECTION	:	BUSINESS / BIZBYTES
HEADLINE	:	RESPONSE TO IPO WAS OVERWHELMING; VANZO OVERSUBSCRIBED NEARLY 82 TIMES
CATEGORY	:	COMPANY
MEASUREMENT	:	37.5 CM²
TONE	:	NEUTRAL
REMARKS	:	N/A


首發股反應超熱

VANZO獲超購近82倍

CORPORATE INFORMATION

BOARD OF DIRECTORS

LIM SENG LEE
INDEPENDENT NON-EXECUTIVE CHAIRMAN

WONG LIANG TZER
NON-INDEPENDENT EXECUTIVE DIRECTOR / MANAGING DIRECTOR

TAN CHIN SOON
NON-INDEPENDENT EXECUTIVE DIRECTOR

CHOE SOOK LING
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

TAN KEA YONG
INDEPENDENT NON-EXECUTIVE DIRECTOR

WONG PHAIT LEE
INDEPENDENT NON-EXECUTIVE DIRECTOR

CHOO FOONG LING
INDEPENDENT NON-EXECUTIVE DIRECTOR

AUDIT AND RISK MANAGEMENT COMMITTEE

Wong Phait Lee
Chairman

Tan Kea Yong
Member

Choo Foong Ling
Member

REMUNERATION COMMITTEE

Choo Foong Ling
Chairman

Wong Phait Lee
Member

Choe Sook Ling
Member

NOMINATING COMMITTEE

Choo Foong Ling
Chairman

Wong Phait Lee
Member

Choe Sook Ling
Member

COMPANY SECRETARIES

Teo Soon Mei
(SSM PC No.: 201908000235) (MAICSA 7018590)
Lim Jia Huey
(SSM PC No.: 201908000929) (MAICSA 7073258)

REGISTERED OFFICE

No. D-09-02, Level 9
EXSIM Tower, Millerz Square @ Old Klang Road
Megan Legasi, No. 357, Jalan Kelang Lama
58000 Kuala Lumpur, W. P. Kuala Lumpur
T : (603) 7971 8080
F : (603) 7972 8585
Email Address: info@amerits.com.my

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Email : info@vanzoasia.com
Website : https://vanzoasia.com/

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(LLP0003185-LCA & AF 001825)
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58000 Kuala Lumpur, W. P. Kuala Lumpur
T : (603) 7986 0066

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, W. P. Kuala Lumpur
T : (603) 2783 9299
F : (603) 2783 9222

PRINCIPAL BANKERS

Maybank Islamic Berhad
RHB Islamic Bank Berhad
United Overseas Bank (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: VANZO
Stock Code: 0333

CORPORATE STRUCTURE

VANZO

SCENT OF HEALTHSTYLE

VANZO HOLDINGS BERHAD
Registration No.: 202301051922 (1545836-M)

100%

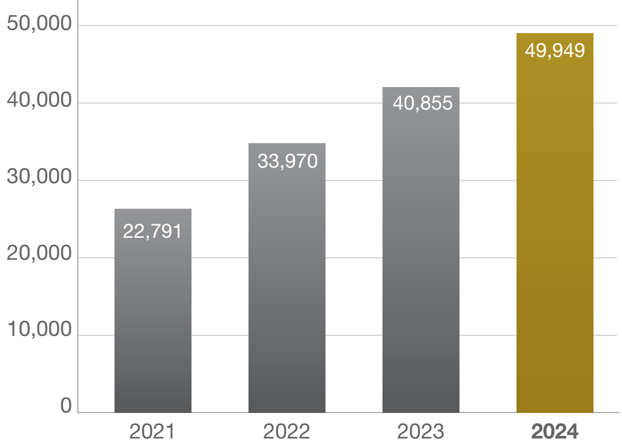
VANZO ASIA SDN. BHD.
Registration No.: 201801031321 (1293347-X)

GROUP FINANCIAL HIGHLIGHTS

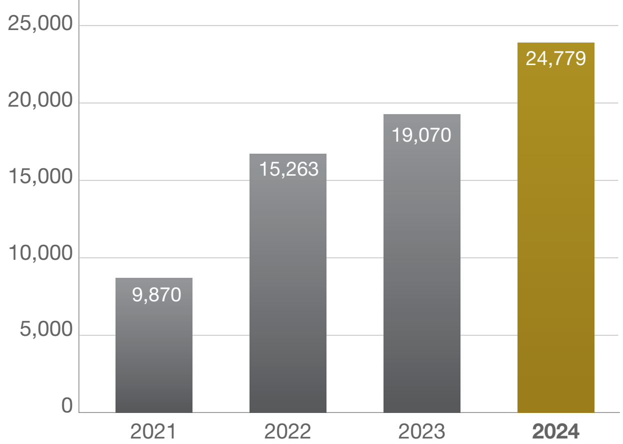
	2021	2022	2023	2024
Revenue (RM'000)	22,791	33,970	40,855	49,949
Gross Profit (RM'000)	9,870	15,263	19,070	24,779
Profit Before Tax ("PBT") (RM'000)	4,214	5,545	6,859	6,875
Profit After Tax ("PAT") (RM'000)	3,038	4,275	5,095	4,908
GP margin	43.3%	44.9%	46.7%	49.6%
PBT margin	18.5%	16.3%	16.8%	13.8%
PAT margin	13.3%	12.6%	12.5%	9.8%
Basic and diluted EPS (sen) #	0.65	0.92	1.09	1.05

To facilitate the 4 years financial highlights for comparison purposes only, earnings per share ("**EPS**") is computed based on PAT of the respective financial year divided by the enlarged share capital of 466,751,100 Shares upon Initial Public Offering.

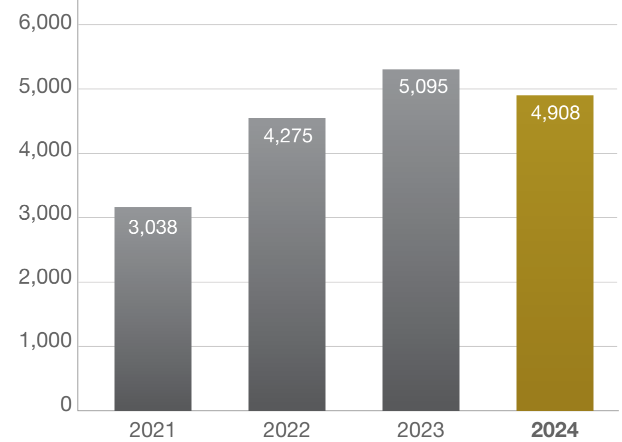
Revenue
(RM'000)



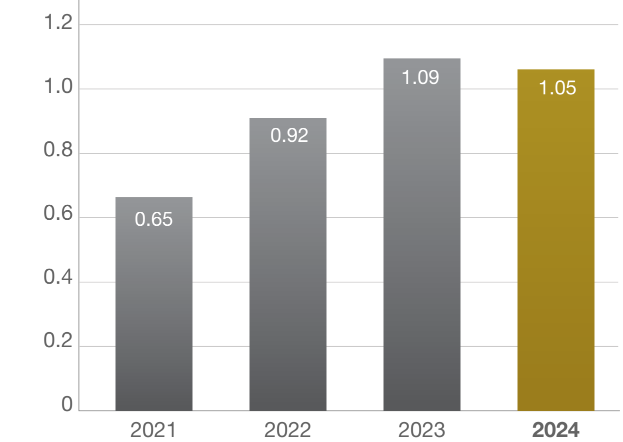
Profit Before Tax
(RM'000)



Profit After Tax
(RM'000)



Basic and diluted EPS
(sen)



PROFILES OF DIRECTORS

LIM SENG LEE

Independent Non-Executive Chairman I Malaysian, Male, Aged 49

Number of board meetings attended in the financial year: Two (2)

Mr. Lim Seng Lee was appointed to our Board on 16 April 2024. He graduated with a Bachelor of Science in Business Administration (International Business) from San Francisco State University, the United States in August 2002.

He started his career with Spritzer Bhd as a Sales Executive in December 2003, and was later promoted to Senior Manager in January 2008. He was mainly involved in carrying out sales and marketing activities of bottled water. Subsequently in March 2008, he took the position of Deputy General Manager where he was responsible for assisting the Managing Director and General Manager in strategic planning and implementing corporate social responsibility activities for the group. In March 2011, he was promoted to Group General Manager where he was responsible for overseeing the overall operational activities and ensure that they are in accordance with the group's policies and objectives. In April 2016, he was redesignated to Group Chief Executive Officer and since then, he has been responsible for the overall strategic planning and business direction of the group.

He is currently the Vice President of North Perak Chinese Chamber of Commerce and Industry and the Head of Small Medium Enterprise Division. He is also the Deputy Chairman of the Board of Governors of Hua Lian High School, Taiping. In April and September 2024 respectively, he has been elected as a Council Member of Malaysian Consortium of Mid-Tier Companies (MCMTC) and National Council Member and Deputy Chair of Internal Trade & Expo Committee of The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).

He is currently an Executive Director of Spritzer Bhd. listed on the Main Market of Bursa Malaysia Securities Berhad and a Director of Malaysian Recycling Alliance Berhad. Save as disclosed, he does not hold directorships in any public companies and listed issuers.

WONG LIANG TZER

Non-Independent Executive Director and Managing Director I Malaysian, Male, Aged 35

Number of board meetings attended in the financial year: Three (3)

Mr. Wong Liang Tzer, Allan was appointed to our Board on 29 December 2023. He is the promoter and major shareholder of the Company. He is principally responsible for overseeing the day-to-day operations, business strategy and corporate direction as well as business development of our Group. He was appointed as Managing Director of Vanzo Holdings Berhad on 16 April 2024.

He obtained his Sijil Pelajaran Malaysia ("**SPM**") certificate in 2006. He completed a Food Handler Course and a Chef Training Course between 2007 and 2008.

He began his career in the food and beverage industry, working as a commis at The Coffee Bean & Tea Leaf (Malaysia) Sdn Bhd and later as kitchen crew at Super Sushi Sdn Bhd between 2008 and 2009. He then transitioned to beverages sales, working as a Salesman at Syarikat Tar Loong Sdn Bhd between 2011 and 2013. He subsequently gained experience in on-site construction works while working as a Site Supervisor at Grybhen Contract Services and Leika Sdn Bhd between 2013 and 2014.

In April 2015, he joined Rainbows Health Food Industries Sdn Bhd as a baker and in January 2017, he was promoted to Production Supervisor. During this time, he was in charge of baking health foods. He was later promoted to Production Manager in January 2018 and his role was extended to include undertaking research and development activities on bakery products, in addition to overseeing the company's daily production activities. He left Rainbows Health Food Industries Sdn Bhd in September 2018.

In August 2018, he co-founded Vanzo Asia Sdn Bhd and was in charge of all operational activities and overseeing product development. In January 2021, he took on the role of Managing Director of Vanzo Asia Sdn Bhd, a position he continues to hold to the present day.

He does not have any other directorship in public companies and listed corporations.

Profiles of Directors
(Cont'd)

TAN CHIN SOON

Non-Independent Executive Director I Malaysian, Male, Aged 37

Number of board meetings attended in the financial year: Three (3)

Mr. Tan Chin Soon, Michael was appointed to our Board on 29 December 2023 and he is also a promoter of the Company. He is responsible for overseeing the product development, Quality Assurance and Quality Control ("**QA/QC**") as well as the sales and marketing activities of our Group.

After obtaining his SPM certificate in 2004, he assisted in his family business in hardware retail. During this time, he gained experience in overseeing all retail operations and carrying out sales and marketing activities.

He subsequently joined Sasbadi Sdn Bhd as a Sales Representative in August 2015, where he was in charge of sales of educational books to schools. He was promoted to Area Sales Manager in September 2018 and was in charge of for leading and managing a sales team in the sales of educational books.

In February 2020, he joined our Group as Sales Manager where he was in charge of leading and managing the sales team, as well as overseeing the wholesale and distribution of Vanzo products to distributors and customers. As Sales Manager, he was also involved in the product development and QA/QC activities. In August 2021, he assumed his present role as Executive Director of our Group.

He does not have any other directorship in public companies and listed corporations.

CHOE SOOK LING

Non-Independent Non-Executive Director I Malaysian, Female, Aged 33

Number of board meetings attended in the financial year: Two (2)

Ms. Choe Sook Ling was appointed to our Board on 16 April 2024. She is a member of our Remuneration Committee and Nominating Committee.

She graduated with Bachelor of Science in Business Management from the University of Lancaster, the United Kingdom in 2013. She subsequently obtained her Master of Science in Supply Chain Management from University of Bolton, the United Kingdom in 2017.

She began her career in April 2013 with Halliburton Business Services Sdn Bhd as Associate Procurement Contract Specialist Associate where she was responsible for drafting and reviewing contracts. She was then promoted to Supervisor of Procurement in August 2019 where her responsibilities extended to leading and managing a procurement team in preparation of contracts and purchase orders. She left in Halliburton Business Services Sdn Bhd in January 2020.

Since February 2020, she was active in her own family businesses which spans across various industries including investment holding, trading and retail activities, and food and beverages industry. She is presently an Executive Director of Sunning Group Sdn Bhd, which is one of her family businesses.

She does not have any other directorship in public companies and listed corporations.

She is the spouse of Mr. Lim Chee Lip, the major shareholder of the Company.

TAN KEA YONG

Independent Non-Executive Director I Malaysian, Male, Aged 37

Number of board meetings attended in the financial year: One (1)

Mr. Tan Kea Yong was appointed to our Board on 30 April 2024. He is a member of our Audit and Risk Management Committee.

He graduated from University of London with a Bachelor of Laws in August 2009 and obtained the Certificate of Legal Practice in September 2011. He was admitted as an Advocate and Solicitor of the High Court in Malaya in September 2012.

Prior to obtaining his Certificate of Legal Practice, he was attached with Messrs Hariati & Khoo Advocates & Solicitors as Legal Executive. He then undertook his pupillage with Messrs Albar & Partners between November 2011 and August 2012, until he was admitted as an Advocate and Solicitor of the High Court in Malaya. Pursuant to that, he continued in Messrs Albar & Partners as Legal Associate until July 2013 when he left Messrs Albar & Partners. In the same month, he joined Messrs Wong Beh & Toh as Legal Associate. He subsequently resigned from Messrs Wong Beh & Toh in May 2016 and joined Messrs Halim Hong & Quek as Legal Associate in June 2016.

While working in Messrs Albar & Partners, Messrs Wong Beh & Toh and Messrs Halim Hong & Quek, he has been involved in, among others, corporate and commercial matters and various capital market exercises such as initial public offerings, acquisitions and corporate restructuring.

He left Messrs Halim Hong & Quek in December 2016 and co-founded Messrs Chua, Tan & Partners in January 2017. As a Partner of the firm, his practice focuses primarily on corporate and commercial matters, including preparation of commercial contracts and corporate advisory matters.

He does not have any other directorship in public companies and listed corporations.

WONG PHAIT LEE

Independent Non-Executive Director I Malaysian, Female, Aged 50

Number of board meetings attended in the financial year: Two (2)

Ms. Wong Phait Lee was appointed to our Board on 16 April 2024. She is the chairman of our Audit and Risk Management Committee as well as a member of our Remuneration Committee and Nominating Committee.

She holds a degree in Bachelor of Commerce, majoring in Accounting and Finance from The University of Western Australia in 1996. She is a member of Certified Practising Accountant (CPA) Australia since 1999. She is also a member of Malaysian Institute of Accountants since 29 September 2023.

She started her career as a consultant with PricewaterhouseCoopers Malaysia in June 1996 specialising in insolvency management and restructuring. In July 2000, she joined Alliance Merchant Bank Berhad and then Hwang-DBS Investment Bank Berhad in December 2003 where she led and participated in various fund-raising exercises in equity and debt capital markets, corporate reorganisation proposals and other advisory work for the banks' clients.

In April 2008, she joined Astro All Asia Networks Limited, where she was involved in multiple cross border mergers and acquisition and joint venture deals in USA, UK, Dubai, India, Vietnam, China and Hong Kong. In 2017, she transitioned to the management of the digital services at Astro in its content streaming services. She then joined Lionsgate Play LLP in April 2022 as its Country Head for its streaming service in Malaysia. She has left her role at Lionsgate Play LLP since October 2023.

She is currently an Executive Director with Supermax Corporation Berhad, where she is responsible for overseeing the group's finance operations and also serves as an Independent Non-Executive Director with YX Precious Metals Berhad and JS Solar Holding Berhad. Save as disclosed, she does not hold directorships in any public companies and listed issuers.

Profiles of Directors
(Cont'd)

CHOO FOONG LING

Independent Non-Executive Director I Malaysian, Female, Aged 52

Number of board meetings attended in the financial year: Two (2)

Ms. Choo Foong Ling was appointed to our Board on 16 April 2024. She is the chairman of our Remuneration Committee and Nominating Committee as well as a member of our Audit and Risk Management Committee.

She graduated from Universiti Utara Malaysia with a Bachelor of Accountancy in 1997. She has been a Member with the Malaysia Institute of Accountant and the Malaysian Institute of Certified Public Accountant since 2000.

Upon graduation, she joined Coopers & Lybrand Malaysia (now known as PricewaterhouseCoopers Malaysia) in Penang in May 1997 as an Associate. She was promoted to Senior Associate in July 1999 where she was responsible for leading an audit team and was involved in performing audits on companies undertaking initial public offering exercises.

In March 2002, she joined AKN Technology Bhd (formerly listed on the Main Market of Bursa Securities) as Internal Audit Manager. During her tenure with AKN Technology Bhd, she also joined AKN Messaging Technologies Bhd (now known as XOX Technology Berhad) as Internal Audit Manager in January 2003. As Internal Audit Manager, she was responsible for setting up the internal audit team, and supervising audit assignments.

In November 2007, she joined Kontron Manufacturing Services (M) Sdn Bhd, a subsidiary of Kontron AG, Germany ("**Kontron**") as Finance Manager where she was responsible for preparing financial statements and annual budgets. Later in September 2012, she took on the role as Group Internal Auditor in Kontron. At that time, she was in charge of performing audit for Kontron's subsidiaries across different countries.

In 2014, she set up Brukopi Sdn Bhd which was principally involved in coffee trading businesses. In 2018, Brukopi Sdn Bhd changed its name to Vonz Synergy Sdn Bhd and its principal activities to provision of business and corporate consultancy services. As the Executive Director of the company, she was responsible for overseeing and managing the overall operations of the company. The company was dormant between August 2023 and December 2023.

In June 2023, she briefly joined Empire Sushi Sdn Bhd as Chief Financial Officer where she was responsible for overseeing all financial-related matters of the company. She then left in January 2024 and currently focus on business and corporate consultancy services in Vonz Synergy Sdn Bhd. Vonz Synergy Sdn Bhd is currently active and she continues to hold the position of Executive Director.

She does not have any other directorship in public companies and listed corporations.

Additional Information for Board of Directors' Profile:

1. Save as disclosed, none of the Directors have any family relationship with any Director and/or Major Shareholders of the Company.
2. None of the Directors have any conflict of interest and potential conflict of interest with the Company.
3. None of the Directors have been convicted of any offence within the past 5 years other than traffic offences, if any nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

POO SHEA CHOON

Chief Financial Officer
Malaysian, Male, Aged 48

Mr. Poo Shea Choon is responsible for overseeing our Group's overall financial activities, including daily accounting and financial reporting activities.

He obtained his London Chamber of Commerce and Industry Diploma in Accounting in 1995. He has been a Member with the Association of Chartered Certified Accountants since 2002 and the Malaysian Institute of Accountants since 2003.

He began his career in audit roles in accounting firms and was involved in various audit assignments from 1999 to 2004. Subsequently, he transitioned to commercial roles in local and international companies in various industry sectors between 2004 and 2021. In total, he has more than 20 years of experience in the accounting profession involving audit, corporate finance, financial management and financial reporting before joining our Group.

In June 2021, he joined our Group and assumed his current position as Chief Financial Officer.

GAN SHY YIN

Head of Operations
Malaysian, Female, Aged 37

Ms. Gan Shy Yin is responsible for overseeing business activities related to supply chain, procurement and administration.

In June 2008, she obtained her London Chamber of Commerce and Industry Diploma in Accounting. She subsequently obtained a Bachelor of Business in Human Resource Management from Wawasan Open University in August 2021.

She began her career as a general clerk with Concorde Brickworks Sdn Bhd in January 2005. After the acquisition of Concorde Brickworks Sdn Bhd by Ultimate Brick Manufacturing Sdn Bhd, she was transferred to Ultimate Brick Manufacturing Sdn Bhd in July 2008 and took on the role of Purchasing Officer. Later in November 2012, she was transferred to Deluxe Brickworks Sdn Bhd as Administration Assistant. She resigned from Deluxe Brickworks Sdn Bhd in September 2019. During her tenure at Concorde Brickworks Sdn Bhd, Ultimate Brick Manufacturing Sdn Bhd and Deluxe Brickworks Sdn Bhd, she was involved in managing sales orders and payroll.

In October 2019, she joined our Group as Account and Administration Manager where she was involved in the preparation of accounts and payroll as well as issuance of sales orders. She assumed her current position in our Group in July 2021.

Profile of Key Senior Management
(Cont'd)

WONG SOOK FUN

Key Account Manager
Malaysian, Female, Aged 54

Ms. Wong Sook Fun is responsible for supporting our Executive Director in the sales and marketing activities.

After completing her SPM in 1989, she began her career in customer service roles, progressing to managerial roles in the optical industry between 1989 and 2011. During this period, she gained experience in various aspects of sales and marketing, including product promotion, event planning, team management, and customer relationship management.

From 2011 to 2021, she held managerial roles in sales and marketing activities at various companies. Her responsibilities included customer relationship management, marketing strategy implementation, event planning, sales team management and business development. She gained experience in overseeing retail operations, handling procurement, product promotion, market analysis and business expansion.

In March 2022, she joined our Group as Regional Sales and Execution Manager. She assumed her current position as Key Account Manager in January 2024.

Additional Information for Key Senior Management's Profile:

1. None of the Key Senior Management have any family relationship with any Director and/or Major Shareholders of the Company.
2. None of the Key Senior Management have any conflict of interest or potential conflict of interest with the Company or its subsidiary.
3. None of the Key Senior Management have any directorship in public companies and listed corporations.
4. None of the Key Senior Management have been convicted of any offence within the past 5 years other than traffic offences, if any nor any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

DEAR ESTEEMED SHAREHOLDERS,

This year marks a pivotal moment in Vanzo's journey with the achievement of a significant milestone — our debut on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). This accomplishment reflects the clarity of our vision and reinforces our ongoing commitment to providing air fragrance solutions that are safe, sustainable and free from harmful chemicals.

On behalf of the Board of Directors ("**the Board**"), I am proud to present this inaugural annual report of Vanzo Holdings Berhad ("**Vanzo**" and "**Company**") for the financial year ended 30 September 2024 ("**FYE 2024**").

2024 IN REVIEW

The year 2024 has been a momentous one for Vanzo as we achieved a new milestone with our successful listing on the ACE Market of Bursa Securities on 17 December 2024. Our Initial Public Offering ("**IPO**") garnered overwhelming interest with an oversubscription rate of 66.71 times. This reflects a testament to the public's confidence in our strategic vision and business fundamentals. Priced at RM0.15 per share, the IPO raised RM14.00 million, providing us with the financial resources to embark on the next phase of our growth journey.

As part of our business expansion plan, we relocated our operations to a new headquarters cum warehouse in Bukit Jelutong, Shah Alam, Selangor during FYE 2024. Spanning 40,878 sq.ft., this state-of-the-art facility brings us with better surrounding infrastructure, improved accessibility and stronger corporate profile.

Moreover, we expanded our retail footprint in Malaysia by opening 3 new retail kiosks at Pavilion Kuala Lumpur, IOI City Mall, Putrajaya and Vivacity Megamall, Kuching, Sarawak during FYE 2024. The strategic openings of these outlets bring us closer to our customers, offering them with convenient access to our air fragrance products firsthand.

We also continued to reap the benefits of our collaborations with prominent brands. Building on the success of the Marvel Car Vent Perfume and Refill series and Disney Tsum Tsum Car Vent Perfume series, we embarked on a new collaboration with Warner Bros. Consumer Products Inc in July 2024 to market and sell our Batmobile 1989 Car Fragrance series from May 2024 to December 2026. This collaboration further strengthens our position as a leader in air fragrance industry, showcasing our ability to develop products which are innovative, captivating and resonate with the broad community.

Chairman's Statement
(Cont'd)

Beyond collaborations, we also took strategic steps to diversify our product portfolio. During FYE 2024, we introduced a new range of laundry care products, including fragranced laundry detergent capsules and softeners. This product expansion marks an exciting evolution for Vanzo, enabling us to leverage our expertise in fragrance solutions to cater to a broader range of customer needs, further solidifying our position as a lifestyle-oriented brand.

FINANCIAL PERFORMANCE

I am pleased to report that we have continued to record a new high in our revenue at RM49.95 million in FYE 2024, marking an impressive growth of 22.3% from RM40.86 million in the financial year ended 30 September 2023 ("**FYE 2023**"). This remarkable growth was primarily driven by higher revenue contribution from our Disney Tsum Tsum Car Vent Perfume series, LX Dashboard Gel series and Mini Vent Perfume series, coupled with increased sales from our expanded network of retailers during FYE 2024.

In line with our revenue growth, our Gross Profit ("**GP**") also saw a significant improvement, rising by RM5.71 million or 29.9% from RM19.07 million in FYE 2023 to RM24.78 million in FYE 2024. We also recorded a higher GP margin of 49.6% in FYE 2024 as better margins were derived from our bathroom air fresheners, reed diffusers and Mini Vent Perfume series.

However, despite the strong growth in revenue and GP, our Profit Before Tax ("**PBT**") only increased marginally by RM0.02 million or 0.2% from RM6.86 million in FYE 2023 to RM6.88 million in FYE 2024. This was mainly due to higher operational expenses arising from promotional rebates, depreciation, staff costs, travelling expenses and professional fees incurred for our listing exercise. Consequently, our PBT margin also decreased by 3.0%, settling at 13.8% in FYE 2024.

As at 30 September 2024, our Group remains in a healthy financial position with cash and cash equivalents of RM0.95 million and net assets of RM13.16 million. In addition, we have recorded an improved current ratio of 1.86 times and a lower gearing ratio of 0.58 times.

For further insights on our Group's financial performance, please refer to the Management Discussion and Analysis section within this Annual Report.

UPHOLDING CORPORATE GOVERNANCE

At Vanzo, we firmly believe that strong corporate governance is the cornerstone of sustainable business success. As we navigate our journey of growth and expansion, we remain steadfast in upholding the highest standards of integrity, transparency and accountability to build trust and confidence among our stakeholders.

Along the journey of our Company's listing, we conducted comprehensive internal control review to assess the adequacy of our Group's corporate governance, risk management and internal control systems. Following this review, we formalised several key policies and procedures aligned with the Malaysian Code on Corporate Governance ("**MCCG**") and applicable laws and regulations within Malaysia. These policies include the Code of Conduct and Ethics, Directors' Fit and Proper Policy, Whistleblowing Policy, Gender Diversity Policy as well as Anti-Bribery and Corruption Policy, which all serves as the foundation of our commitment to ethical business practices and accountability.

For more details on our corporate governance initiatives, please refer to the Corporate Governance Overview Statement ("**CG Statement**") in this Annual Report as well as our Corporate Governance Report ("**CG Report**").

COMMITMENT TO SUSTAINABILITY

Sustainability lies at the heart of Vanzo's business philosophy. As we continue to grow, we are dedicated to balancing our business ambitions with environmental stewardship, social responsibility and strong governance practices.

Central to this commitment is the development of our air fragrance product with plant-based fragrance ingredients. This ensures that our products are both environmentally sustainable and safe for our consumers and the wider community. We have also adopted eco-friendly initiatives in our operations, such as leveraging digital marketing to reduce paper use and minimise our environmental footprint.

As we progress on our sustainability journey, we remain committed to expanding these efforts and embedding sustainability into every facet of our operations, whenever viable. Kindly refer to the Sustainability Statement within this Annual Report for further details on our sustainability strategies and initiatives.

LOOKING AHEAD

The air fragrance industry in Malaysia is poised for robust growth with a projected compound annual growth rate ("**CAGR**") of 9.0%, expanding from an estimated industry size of RM326.10 million in 2024 to RM387.50 million in 2026. This growth is supported by several favourable trends, including the growing vehicle ownership, increasing disposable income and urbanisation trend, all of which present opportunities for our Group.

To capitalise on these opportunities, we are leveraging on our position as an innovative and health-conscious air fragrance solutions provider. The rising awareness of health and wellness, particularly the emphasis on the importance of natural air fragrance products, has also uniquely positioned us to meet the growing demand for safe and eco-friendly lifestyle options.

In conjunction with our successful listing, the funds raised from our IPO also provide a strong foundation to support our business expansion plans. This includes establishing 4 new retail kiosks in key shopping malls across Malaysia, enhancing our marketing and promotional activities, as well as repaying banking facilities to improve our gearing ratio and cash flow position.

Looking ahead, we will continue to introduce at least 1 new product series with a unique scent co-formulated by us each year to sustain our continuous growth and market relevance. Additionally, we are expanding our product portfolio to include premium electronic smart car fragrance products as well as more personal and household care products to meet the diverse needs from our customers. In this regard, we are proud to highlight that the successful launch of Smart Car Diffuser in December 2024 marked a significant milestone in this journey.

To support our business growth, we are expanding our sales channels to more petrol stations and local supermarkets, while also exploring opportunities to penetrate international markets. With these strategies and opportunities in place, we are optimistic about our Group's long-term prospects and remain focused on driving sustainable values for our stakeholders.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to our Management and employees. Your hard work and dedication have been instrumental in achieving our successful listing on the ACE Market.

I would also like to extend my sincere gratitude to our stakeholders, including our valued shareholders, customers, suppliers, business associates, advisors and bankers for their trust and unwavering support. Your belief in us has been invaluable and we look forward to strengthening our relationship in the years to come.

Last but not least, to my fellow Directors, I am grateful for your wisdom, professionalism and commitment in guiding Vanzo towards success. With the collective effort of the Board, Management, employees and all our stakeholders, I am confident Vanzo will continue to achieve sustainable growth and deliver long-term values.

Thank you.

Lim Seng Lee
Independent Non-Executive Chairman
15 January 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Vanzo Holdings Berhad ("**Vanzo**" or "**Company**") and its subsidiaries ("**Vanzo Group**" or "**Group**") are a leading homegrown air fragrance company in Malaysia, principally involved in the design, marketing and sale of air fragrance and fragrance-related products. Our products mainly consist of car fragrances, indoor fragrances as well as personal and household care products. To complement these products, we also market and sell fragrance-related accessories and other products such as candle tool sets, rechargeable electric lighters and anti-slip car mats. With growing awareness on the importance of natural air fragrance products, we take pride in offering products which are predominantly made from plant extracts and free from harmful chemical compounds. Notably, we are proud to be recognised as Malaysia's First Certified Healthy Air Fragrance.

Since our inception in 2018, we have steadily expanded our customer base across Malaysia through multiple sales channels, including distributors, resellers, retailers and online platforms such as our Company's website, Lazada, Shopee, Tiktok, Facebook and Instagram. To strengthen our local presence, we have also established several retail kiosks in major shopping malls since 2022, strategically located in key areas across Kuala Lumpur, Putrajaya, Selangor, Sarawak and Johor. Beyond Malaysia, we have also expanded our geographical footprint to Singapore, Brunei and Australia.

Over the years, we have grown our product ranges to 13 car and indoor fragrance series alongside with 4 personal and household care products, offering a total of 28 scents wherein we own the formulation of 12 of these scents. Additionally, to further enhance our brand presence, we have collaborated with various prominent brands such as Walt Disney, Black Whale and Vivo to launch the co-branded air fragrance products. Our most recent major collaboration is marked by the signing of a licensing agreement with Warner Bros. Consumer Products Inc. in July 2024, granting us the rights to market and sell our "Batmobile 1989 Car Fragrance" series from 1 May 2024 to 31 December 2026.

In January 2024, as part of our business expansion strategies, we relocated our operations to a new headquarters cum warehouse located in Bukit Jelutong, Shah Alam, Selangor with a built-up area of 40,878 sq. ft. The relocation of our new headquarters cum warehouse offers better surrounding infrastructure and improved accessibility for third-party delivery providers, ultimately streamlining our operations and enhancing our corporate profile.

Management Discussion And Analysis
(Cont'd)

FINANCIAL PERFORMANCE REVIEW

	FYE 2024 RM'000	FYE 2023 RM'000	Variance RM'000	%
Revenue	49,949	40,855	9,094	22.3
Gross profit ("**GP**")	24,779	19,070	5,709	29.9
Profit before tax ("**PBT**")	6,875	6,859	16	0.2
Profit after tax ("**PAT**")	4,908	5,095	(187)	(3.7)
GP margin (%)	49.6	46.7		2.9
PBT margin (%)	13.8	16.8		(3.0)
PAT margin (%)	9.8	12.5		(2.7)

Our Group's revenue increased by RM9.09 million or 22.3% from RM40.86 million in the financial year ended 30 September 2023 ("**FYE 2023**") to RM49.95 million in the financial year ended 30 September 2024 ("**FYE 2024**"). Such increase was mainly driven by higher revenue generated from the successful launch of the Disney Tsum Tsum Car Vent Perfume series in December 2023 as well as higher sales from the LX Dashboard Gel series and Mini Vent Perfume series following the launch of new scents in May 2024.

Additionally, the increased number of distributors, resellers and retailers also contributed to higher sales during FYE 2024. We are also delighted to share that we have opened 3 additional retail kiosks during FYE 2024, expanding our reach to a wider customer base with a total of 6 own retail kiosks as at 30 September 2024.

In tandem with the increase in our total revenue, our GP increased by RM5.71 million or 29.9% from RM19.07 million in FYE 2023 to RM24.78 million in FYE 2024. Our GP margin also increased by 2.9% from 46.7% in FYE 2023 to 49.6% in FYE 2024, mainly due to higher margins recorded from our newly launched products.

Despite the significant increase in both our revenue and GP, our PBT only increased marginally by RM0.02 million or 0.2% from RM6.86 million in FYE 2023 to RM6.88 million in FYE 2024. This was mainly due to higher promotional rebates provided, increased depreciation expenses for our new retail kiosks and new headquarters cum warehouse, and higher staff costs. We also incurred higher travelling expenses as our sales personnel visited more customers during FYE 2024. Furthermore, one-off professional fees have been incurred for our listing exercise.

In view of the above, despite the increase in our GP margin, our PBT margin decreased by 3.0% from 16.8% in FYE 2023 to 13.8% in FYE 2024.

Management Discussion And Analysis
(Cont'd)

FINANCIAL POSITION REVIEW

Statement of Financial Position

	30.09.2024 RM'000	30.09.2023 RM'000	Variance RM'000	%
Non-current assets	7,530	7,436	94	1.3
Current assets	19,462	16,837	2,625	15.6
Total assets	**26,992**	**24,273**	**2,719**	**11.2**
Non-current liabilities	3,395	5,467	(2,072)	(37.9)
Current liabilities	10,441	9,658	783	8.1
Total liabilities	**13,836**	**15,125**	**(1,289)**	**(8.5)**
Net assets ("NA")	**13,156**	**9,148**	**4,008**	**43.8**
NA per share (sen) (1)	2.82	1.96	0.86	43.9
Current ratio (times)	1.86	1.74	0.12	6.9
Gearing ratio (times)	0.58	1.00	(0.42)	(42.0)

Note:

(1) *Calculated based on our Company's enlarged share capital of 466,751,100 shares upon Initial Public Offering ("IPO"). Kindly refer to "Capital Structure, Resources and Expenditure" section for further details.*

Our Group's total assets increased by RM2.72 million or 11.2% from RM24.27 million as at 30 September 2023 to RM26.99 million as at 30 September 2024. Such increase was primarily driven by a RM1.40 million increase in our prepayments, which mainly arising from IPO and promotional-related expenses. The increase in our total assets was also driven by the increase in trade receivables by RM0.73 million, resulting from higher credit sales following the expansion of our business and sales channels during FYE 2024.

Our Group's total liabilities decreased by RM1.29 million or 8.5% from RM15.13 million as at 30 September 2023 to RM13.84 million as at 30 September 2024 due to lease liabilities and bank borrowings repayments made during the financial year. The decrease in lease liabilities was further contributed by the derecognition of the lease for our premise in Kampung Baru Subang following the relocation of our headquarters cum warehouse to Bukit Jelutong. In the year, we also recorded increase in trade payables due to higher credit purchases from suppliers towards the end of FYE 2024.

Overall, our Group closed the financial year with a strong financial position, recording a cash and cash equivalent of RM0.94 million with an improved current ratio of 1.86 times and a lower gearing ratio of 0.58 times as at 30 September 2024. In addition, our Group attained a stronger NA position of RM13.16 million as at 30 September 2024, translating to a NA per share of 3.52 sen.

FINANCIAL POSITION REVIEW (CONT'D)

Statement of Cash Flows

	FYE 2024 RM'000	FYE 2023 RM'000	Variance RM'000	%
Net cash generated from operating activities	6,884	2,039	4,845	237.6
Net cash used in investing activities	(2,425)	(877)	(1,548)	176.5
Net cash used in financing activities	(5,003)	(1,379)	(3,624)	262.8
Net decrease in cash and cash equivalents	**(544)**	**(217)**	**(327)**	**150.7**
Cash and cash equivalents at the beginning of the financial year	1,496	1,713		
Cash and cash equivalents at the end of the financial year	**952**	**1,496**	**(544)**	**(36.4)**

In FYE 2024, our Group generated a positive net operating cash flow of RM6.88 million, recording an increase of RM4.85 million or 237.6% from net operating cash flow of RM2.04 million in FYE 2023. This improvement was mainly attributable to our efficient inventory management during FYE 2024. Additionally, healthy collections from our customers further contributed to the improvement in our operating cash flow.

Our Group's net cash used in investing activities was reported higher at RM2.43 million in FYE 2024, primarily driven by the purchase of property, plant and equipment, with the main expenditure incurred in renovations for our new headquarters cum warehouse in Bukit Jelutong as well as our new retail kiosks in Pavilion Kuala Lumpur, IOI City Mall, Putrajaya and Vivacity Megamall, Kuching, Sarawak.

We also recorded a higher net cash used in financing activities of RM5.00 million in FYE 2024, mainly due to repayments of bank borrowings and lease liabilities, along with dividends and finance costs.

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

On 12 June 2024, the Company had entered into a conditional share sale agreement with shareholders of Vanzo Asia to acquire the entire issued share capital of Vanzo Asia comprising 500,000 ordinary shares for a total purchase consideration of RM9,148,300. The total purchase consideration was satisfied with the issuance of 373,400,000 new ordinary shares in the Company to the parties nominated by the shareholders of Vanzo Asia at an issue price of RM0.0245 each. The acquisition was completed on 4 October 2024 subsequent to the fulfilment of conditions precedent pursuant to the share sale agreement. Consequently, Vanzo Asia became a wholly-owned subsidiary of the Company.

In conjunction with the listing of our Company on 17 December 2024, the issued share capital of the Company increased to RM23,150,960 (prior to deduction of listing expenses) comprising 466,751,100 ordinary shares.

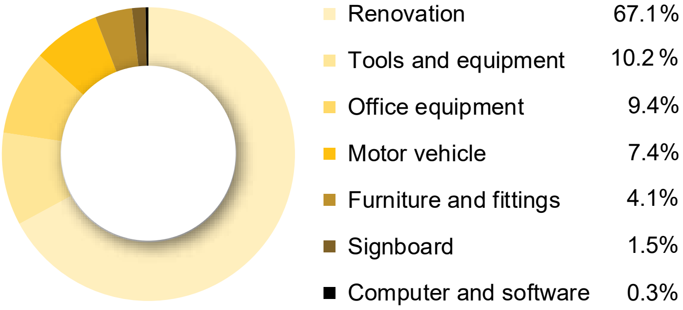
To support our daily operations, we utilise a combination of operating cash flows, cash and bank balances as well as credit extended by trade suppliers and/or financial institutions. Our banking facilities granted by financial institutions include bank overdrafts, bankers' acceptances, term loans and finance leases.

Management Discussion And Analysis
(Cont'd)

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE (CONT'D)

During FYE 2024, our Group has invested a total of RM2.61 million in capital expenditure, which consists of the following: -

Capital Expenditure	RM'000
Renovation	1,754
Tools and equipment	267
Office equipment	245
Motor vehicle	193
Furniture and fittings	107
Signboard	39
Computer and software	8
Total	**2,613**



Approximately 67.1% of the total capital expenditure was allocated for the renovations of our new headquarters cum warehouse as well as 3 new retail kiosks located at Pavilion Kuala Lumpur, IOI City Mall and Vivacity Megamall. This is followed by the purchase of tools and equipment such as mould and booth items, as well as office equipment, which accounted for approximately 10.2% and 9.4% of the total capital expenditure respectively.

As at 30 September 2024, our Group's capital commitment is as follows: -

Capital Commitment	RM'000
• Sponsorship and promotional activities expenses	552

ANTICIPATED OR KNOWN RISK

Dependent on major outsourced manufacturer

In order to reduce the risk of exposing our product formulations and designs, we limit the number of our outsourced manufacturers that we appoint. In this regard, we mainly co-formulate and outsource the manufacturing of our air fragrance and fragrance-related products to Foshan Ikeda Air Freshener Co. Ltd. ("**Foshan Ikeda**"). This manufacturer not only manufactures our products but also serves as a key supplier for our other suppliers in our supply chain. As a result, our Group is dependent on Foshan Ikeda.

Any major disruption or sudden cessation of supply from Foshan Ikeda may result in shortage of products and inability to meet customer demands. Additionally, such disruptions may require us to source products at higher costs, thereby increasing our operational expenses and reducing our profitability. These challenges may adversely affect our business operations, financial performance and long-term growth prospects.

To address this risk, we work closely with the outsourced manufacturer through regular communications to ensure meeting production requirements, quality expectations and supply continuity. Furthermore, we had entered into a Right of Use of Formula and Original Equipment Manufacturer ("**OEM**") Production Agreement with Foshan Ikeda in 2021, allowing us to have the liberty to monitor and inspect the manufacturing process of our products.

ANTICIPATED OR KNOWN RISK (CONT'D)

Brand reputation and counterfeit risk

Our business sustainability is heavily dependent on the positive reputation of our "Vanzo" brand, which has been built over the years. Negative publicity, whether arising from product quality issues, negative comments or the actions of our distributors, resellers and retailers, could adversely impact our reputation, reduce customer trust and loyalty, and ultimately lead to a decline in our sales.

Additionally, our brand is at the risk from counterfeit products, such as unauthorised imitation or replication of our designs and labelling by third-parties. These counterfeit products are generally sold at a lower price to attract consumers. However, their inferior quality could tarnish our brand and image, thereby resulting in a loss of consumer confidence in our products and adversely affecting our business performance.

To mitigate these risks, we proactively monitor market perceptions on us and swiftly address any negative publicity with effective communication strategies. We have also implemented several stringent quality control measures, from selection of outsourced manufacturers to product inspection before product launching. Furthermore, to combat the risk of counterfeiting, we have trademarked our "Vanzo" brand. Through these efforts, we aim to protect our reputation, foster consumer trust and ensure the long-term success of our business.

Evolving consumer demand and product relevance

Our Group's sales performance is highly influenced by the evolving consumer preference. Failure to adapt to these ever-changing trends could result in a decline in customer demand for our products and negatively impact our sales performance.

To this end, our product development and quality assurance teams closely monitor the latest consumer preference trend to ensure that our products remain relevant, appealing and aligned with customer needs.

Failure to protect our proprietary formulation for the scents of our products

Currently, we owned the formulation for 12 of the scents used in our car and indoor fragrance products as well as our personal and household care products. Failure to protect proprietary information including formulation of these scents could inadvertently lead to the infringement of our products by external parties. This could consequently result in external parties providing similar or same products to the market, which could adversely impact our Group's business and financial performance.

Therefore, we limit the exposure of our formulation to Foshan Ikeda. However, there can be no assurance that we will be able to protect our proprietary formulation for the product scents and that this would not materially and adversely impact our Group's business and financial performance.

Fluctuation in foreign exchange rates

Our Group is exposed to foreign exchange risk as majority of our purchases are sourced from overseas and denominated in Renminbi. Any adverse movement in exchange rates could increase our purchase costs and potentially reduce our profit margin if we are unable to pass on the additional costs to our customers.

Presently, we do not have any formal hedging contracts to manage our foreign exchange risk. We only purchase the required amount of foreign currency as and when we settle the import bills which are due. Nevertheless, we will continue to assess the need to utilise financial instruments to hedge our currency exposure, when necessary, considering factors such as foreign currency involved, exposure period and transaction costs.

Management Discussion And Analysis (Cont'd)

SUCCESSFUL LISTING OF OUR GROUP

On 17 December 2024, we have achieved a significant milestone with our Company's successful listing on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). Our Company has successfully raised RM14.00 million from the IPO exercise, which are earmarked for the utilisation as follows: -

Details of Utilisation of Proceeds	RM'000	%
Business expansion and marketing activities	6,600	47.2
Repayment of bank borrowings	3,000	21.4
Working capital	703	5.0
Estimated listing expenses	3,700	26.4
Total	**14,003**	**100.0**

To support our business expansion, RM1.60 million or 11.5% of our IPO proceeds are allocated for setting up 4 new retail kiosks in established shopping malls, with 3 at Peninsular Malaysia and 1 at East Malaysia, to enhance our brand visibility and customer base. We are glad to share that the opening of our 7th retail kiosk on 5 December 2024 at Mid Valley Southkey, Johor Bahru marked a significant step forward in this business strategy. We look forward to continuing this expansion in 2025 and 2026.

We have also allocated RM5.00 million or 35.7% of our IPO proceeds for marketing and promotion activities to enhance our product awareness across Malaysia. These marketing and promotion activities include promotional campaigns, social media engagement and digital marketing, engagement with local celebrities, mass media advertising as well as event sponsorships.

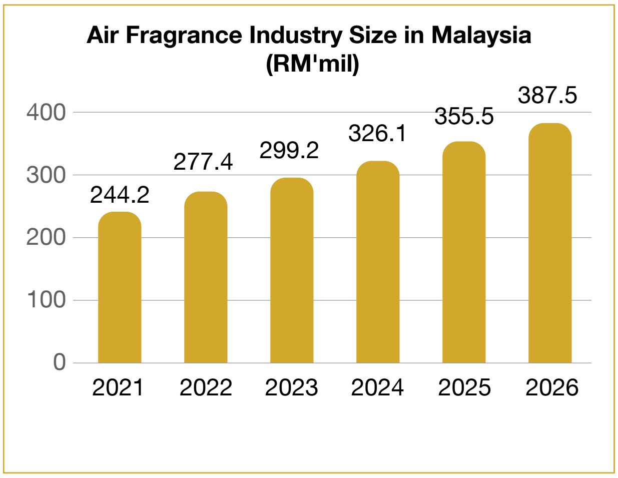
On the other hand, RM3.00 million or 21.4% of our IPO proceeds are allocated to repay our bank overdrafts and bankers' acceptances facilities which were mainly drawdown to finance our general working capital requirements. Such repayment will result in interest savings and improvement in our gearing ratio and cash flow position.

We have allocated RM0.70 million or 5.0% of our IPO proceeds as our working capital while the remaining RM3.70 million or 26.4% of our IPO proceeds are utilised to pay for our listing expenses.

FUTURE PROSPECTS AND OUTLOOK

The air fragrance industry in Malaysia grew from RM244.20 million in 2021 to RM299.20 million in 2023, achieving a compound annual growth rate ("**CAGR**") of 10.7%. Looking ahead, the air fragrance industry is expected to grow by a CAGR of 9.0%, from an estimated RM326.10 million in 2024 to RM387.50 million in 2026.

One of the key drivers of this growth is the growing vehicle ownership. Most Malaysians prefer driving cars due to convenience, comfort and safety. According to the Malaysian Automotive Association, the total number of passenger and commercial vehicles registered increased from 508,911 in 2021 to 799,731 in 2023. This growing number of vehicle ownership presents significant opportunities for the air fragrance industry, as continuous demands for car fragrance products are expected from consumers to improve their driving experience.



FUTURE PROSPECTS AND OUTLOOK (CONT'D)

Additionally, our Group is set to benefit from rising disposable income, which in turn leads to a greater spending power amongst Malaysians. According to the Department of Statistics Malaysia, Malaysia's Gross National Income ("**GNI**") per capita grew from RM46,253 in 2021 to RM52,933 in 2023. The Malaysia Budget 2025 also forecasts that Malaysia's GNI per capita to reach RM59,011 in 2025, reflecting a continued growth in consumers' spending power. This rising trend is expected to drive demand for lifestyle consumer products, including air fragrance products.

In addition to rising disposable income, urbanisation and the growing number of residential and commercial properties have also boosted demand for indoor air fragrances to improve the indoor air quality in small urban living spaces. Various government initiatives such as the Housing Credit Guarantee Scheme, the People's Residency Programme, Rumah Selangorku, Residensi Wilayah and the Rumah Mesra Rakyat programme are expected to stimulate growth in the residential property market, thereby continue to create more opportunities and demand for the indoor air fragrance products.

With increasing concerns about health and wellness, particularly in light of the growing awareness on adverse health effects from synthetic chemicals, there is also a rising demand for natural air fragrance products. To this end, we are proud of our air fragrance products that do not contain any harmful chemical compounds. This positions us well to meet the needs of a growing market that values health-conscious choices.

To capitalise on these favourable market trends, we are actively pursuing several strategic initiatives to drive continuous growth and solidify our position in the market. As part of this commitment, we will introduce at least 1 new product series with 1 new scent co-formulated by us every year.

We are also developing premium electronic smart car fragrance products as well as more personal and household care products to strengthen our market presence and offer a broader range of products that cater to diverse customers' needs. This strategic move has begun to bear fruit with the successful launch of our Smart Car Diffuser in December 2024 which combines innovation and elegance, featuring smart auto on/off, wireless operation and whisper-quiet 360° diffusion. Following this new launch in December 2024, we plan to launch more series and new scents in FYE 2025 to enhance our products offering.

In addition to product innovation, we are expanding our sales channels to more petrol stations, namely Petronas and BHPetrol, as well as local supermarkets in order to reach a wider customer base. Furthermore, we are pursuing opportunities to enter new international markets, allowing us to extend our global footprint and drive sustainable growth.

With these growing opportunities, strategic initiatives and business strategies supported by our IPO proceeds, we are optimistic about our Group's long-term prospects. Looking ahead, we remain committed to pursuing our strategic objectives, driving innovation and expanding our market reach to ensure sustainable growth and long-term success.

DIVIDENDS

Prior to our IPO listing on 17 December 2024, we declared 2 single-tier interim dividends of RM1.00 and RM0.80 per ordinary share, totalling to RM0.50 million and RM0.40 million payouts, respectively, for the FYE 2024.

Currently, our Group does not have a formal dividend policy in place. While we intend to pay dividends to our shareholders in the future, any declaration or recommendation of dividends will be at the discretion of the Board of Directors ("**the Board**") subject to the requirements in accordance to the Companies Act, 2016 and various factors, including financial performance, capital expenditure requirements, overall financial condition and any other considerations deemed relevant by the Board.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

At Vanzo Holdings Berhad ("**Vanzo**" or "**the Group**"), we are committed to driving long-term value through sustainable business practices that positively impact our people, communities, and the environment. As a newly listed entity on the ACE Market of Bursa Securities, we recognize the pivotal role sustainability plays in enhancing corporate resilience, stakeholder trust, and shareholder value.

In 2024, we embarked on a journey to integrate sustainability across all facets of our operations. Our approach focuses on creating a balanced framework that aligns business growth with environmental stewardship, social responsibility, and robust governance practices. We strive to adopt transparent and ethical practices that contribute to sustainable economic development while minimizing our ecological footprint.

This Sustainability Statement outlines our commitment to ensuring that sustainability is embedded within our corporate culture and business strategy, fostering long-term growth for Vanzo Holdings Berhad and the communities we serve.

Scope and Basis of Scope

This Sustainability Statement covers all of Vanzo Holdings Berhad's business divisions, primarily focusing on the design and marketing of air fragrance products, with operations and the main market based in Malaysia. No geographical areas or business segments have been excluded. This ensures a comprehensive overview of Vanzo's sustainability efforts across all pillars of the business and its stakeholder engagements.

This report covers a 12-month reporting period from 1st October 2023 to 30th September 2024, unless stated otherwise.

Reporting Frameworks and Standards

We have prepared our report based on the available internal information with reference to Bursa Securities' ACE Market Listing Requirements and with guidance from its Sustainability Reporting Guidelines (3rd edition). We are constantly enhancing our sustainability strategy which will contribute to the enhancement of the framework over the years.

Statement of Assurance

This Sustainability Statement has not been subjected to an assurance process. The information provided in this report is presented on a best-effort basis and is subject to further improvement in future reporting cycles.

Feedback

To continuously improve on our sustainability efforts, we welcome and encourage our stakeholders to provide feedback pertaining to this Statement or our sustainability practices and initiatives. Comments and questions can be directed to our designated email address at info@vanzoasia.com.

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

<u>Board of Directors</u>

The Board of Directors holds ultimate responsibility for the overall sustainability strategy and performance of Vanzo Holdings Berhad. Key responsibilities include:

- Setting the strategic direction for sustainability within the Company.
- Approving the sustainability policies and objectives to ensure alignment with corporate goals.
- Overseeing the integration of sustainability into the Company's business strategy and ensuring long-term value creation.
- Monitoring the progress of sustainability initiatives and ensuring adequate resources are allocated.
- Ensuring compliance with relevant regulations and international sustainability standards.
- Engaging with stakeholders to understand their expectations and ensuring effective communication of sustainability performance.

<u>Audit and Risk Management Committee</u>

The Audit and Risk Management Committee supports the Board in overseeing the identification, management, and mitigation of sustainability related risks. Key responsibilities include:

- Reviewing and assessing sustainability related risks, including environmental, social, and governance ("**ESG**") risks, and recommending strategies to address them.
- Ensuring that sustainability risks are integrated into the Company's overall risk management framework.
- Overseeing the effectiveness of internal controls and risk management systems related to sustainability.
- Reviewing sustainability performance data and ensuring its accuracy, completeness, and reliability.
- Providing recommendations on how to improve sustainability reporting and internal governance systems.
- Advising the Board on any regulatory changes and ensuring compliance with relevant sustainability laws and standards.

<u>Management Risk & Sustainability Committee</u>

The Management Risk & Sustainability Committee is responsible for the day-to-day management of sustainability initiatives and ensuring their alignment with the Company's operational goals. Key responsibilities include:

- Developing and implementing sustainability strategies, programs, and initiatives in line with the Company's objectives.
- Coordinating sustainability efforts across all departments to ensure consistent execution of policies.
- Monitoring and reporting on sustainability performance and progress against set goals and targets.
- Identifying emerging sustainability risks and opportunities and advising the Board and Audit and Risk Management Committee accordingly.
- Engaging with internal and external stakeholders to promote sustainability awareness and collaboration.
- Ensuring that sustainability related policies and practices are effectively communicated to employees, suppliers, and other stakeholders.
- Evaluating the effectiveness of sustainability initiatives and recommending improvements to the Board and relevant committees.

These roles and responsibilities ensure that Vanzo Holdings Berhad has a robust and well-structured governance framework in place to effectively manage sustainability across the organization.

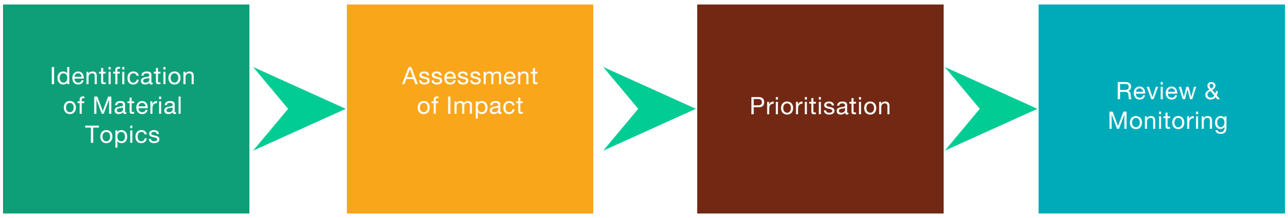
Sustainability Statement
(Cont'd)

Material Matters & Assessment Process

The Materiality Assessment Process is a crucial step in the Group's sustainability strategy, helping the Company identify and prioritize the key environmental, social, and governance (ESG) issues that are most relevant to its business operations and stakeholders. This ensures that Vanzo remains responsive to both its internal goals and the external expectations that impact long-term value creation and stakeholder trust.

Vanzo focuses on three core areas of sustainability—Economic, Environmental, and Social—which are essential to the long-term success of its operations. These areas serve as the foundation of the Group's sustainability framework.

Materiality Assessment Process:



1. Identification of Material Topics

   The Group conducts an ongoing evaluation to identify factors that are significant to its business and stakeholders. This includes considering current industry trends, global sustainability frameworks, regulatory requirements, and emerging risks.

2. Assessment of Impact

   After identifying the material topics, the Group reviews each factor's potential risks and opportunities. The impact on the business and key stakeholders is carefully analysed to understand the exposures and the extent of influence on the Group's sustainability goals.

Stakeholder Engagement

A critical part of the materiality assessment is engaging with key stakeholders to understand their views on the importance and relevance of the identified ESG topics. Stakeholder engagement helps ensure that Vanzo's sustainability efforts address the issues that matter most to those with the greatest interest or impact on the Company.

The engagement will involve multiple stakeholder groups, and each will be approached with tailored methods to ensure effective and meaningful communication.

Stakeholder	Engagement Objective	Methods of Engagement
Employees	• Compensation, welfare and employee care • Safe and conducive workplace • Continuing professional development	• Staff performance appraisal • Management and committee meetings • Professional development • Team building activities
Customers	• Product and service quality • Payment terms and timeliness • Business continuity	• Meetings • Proposals/ quotations / agreements • Corporate website

Stakeholder	Engagement Objective	Methods of Engagement
Suppliers	• Product and service quality • Competitive price and terms of payments • Maintaining good relationship • Creditability	• Meetings • Proposals / quotations / agreements • Annual supplier evaluation survey
Shareholders & Investors	• Economic contribution • Regulatory compliance	• Annual general meetings / extraordinary general meetings • Annual reports • Quarterly reports • Announcements to Bursa Malaysia Securities Berhad • Corporate website
Government & Regulators	• Compliance with laws and regulations	• Compliance with requirements • Dialogues, seminars, and meetings • Reports
Financial Institutions	• Continuous financial support	• Annual reports • Quarterly reports • Meetings / briefings • Corporate website

3. Prioritisation

The most significant topics, those with the greatest impact on sustainability, are prioritised for action. The Group ensures that these prioritised material matters align with its sustainability objectives and strategy. The results of the prioritisation process will be reviewed by senior management, the Board of Directors, and Audit and Risk Management Committee for validation. Feedback from these groups will ensure the findings align with the Company's strategic goals and stakeholder expectations. ISO 9001:2015 principles also help guide this process, ensuring that prioritization is aligned with maintaining high standards of quality, customer satisfaction, and continuous improvement.

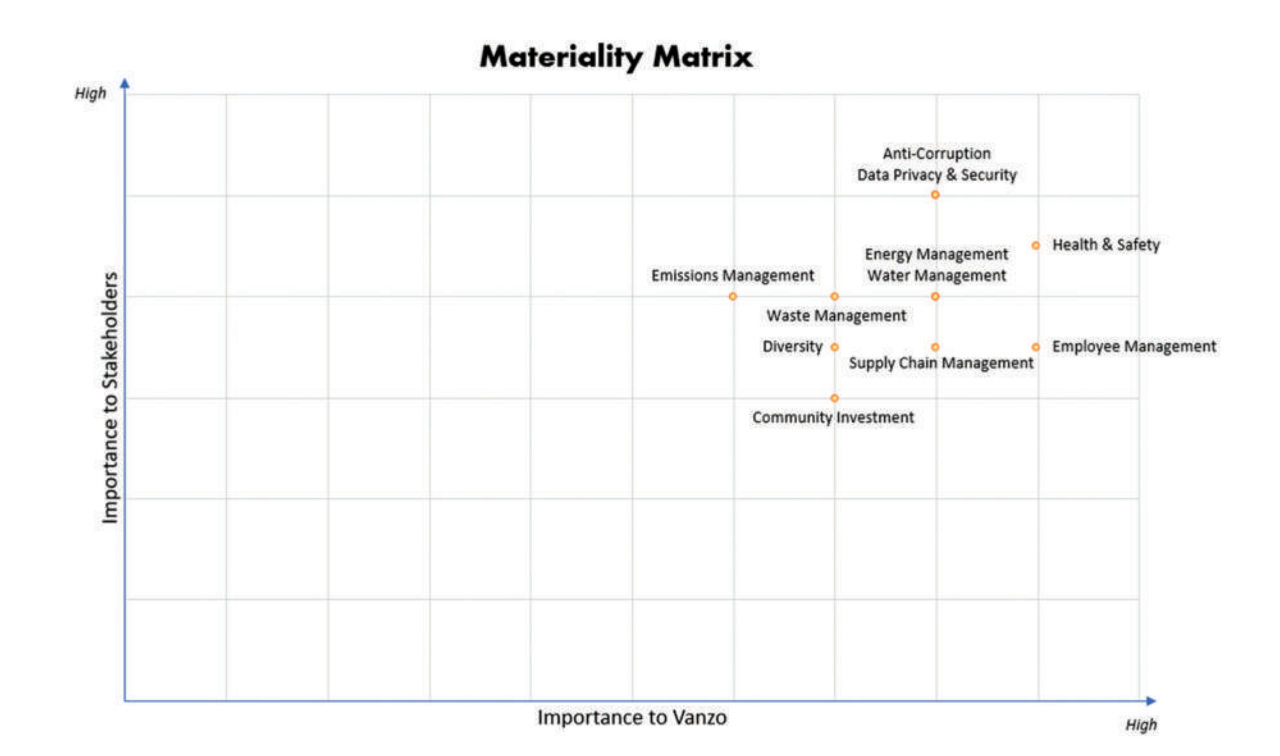
4. Review and Monitoring

Vanzo will periodically review and update the materiality assessment to ensure that emerging issues and changes in the business environment are considered. Regular monitoring and review will allow the Company to stay agile and responsive to stakeholder needs and evolving sustainability trends.

By following this structured approach, Vanzo ensures that its sustainability strategy is aligned with both internal business objectives and the expectations of its diverse stakeholders, enabling long-term value creation and robust stakeholder relationships. The integration of ISO 9001:2015 principles into our materiality assessment process helps ensure that our approach to sustainability is systematic, structured, and aligned with global best practices.

Sustainability Statement
(Cont'd)

Materiality Matrix



Material Matters	Description
Environmental	
Energy Management	Reduction of environmental footprints through more efficient use of energy
Water Management	Efficient use of water and conservation of water resources
Waste Management	Efforts to reduce, reuse, recycle and responsible disposal of waste
Emissions Management	Efforts to monitor, reduce, and control the release of greenhouse gases and other pollutants into the atmosphere, focusing on minimizing environmental impact and adhering to regulatory standards
Social	
Community Investment	Supporting communities that are economically disadvantaged through engagement programmes that create a positive social impact
Employee Management	Efforts in recruiting and retaining talent as well as enhancing overall productivity of our workforce
Diversity	Ensuring fair treatment to all employees, with dignity and without any form of discrimination based on gender, race, religion, age, nationality, disability, etc.
Health and Safety	Creating a healthy, safe and conducive working environment for employees and contractors particularly by minimising any health and safety related risks that could arise
Governance	
Supply Chain Management	Promoting responsible and sustainable procurement practices including assessing suppliers and their environmental and social impacts in accordance with the established criteria
Anti-Corruption	Promoting ethical business and transparency by avoiding all forms of corruption
Data Privacy and Security	Protecting customers' sensitive information and preventing data breaches

MANAGEMENT APPROACH FOR MATERIAL MATTER

Energy Management

Why is this important?

Energy management is a critical component of corporate sustainability. Effective energy use not only reduces costs but also minimizes the environmental impact of a company's operations. Reducing energy consumption helps lower carbon emissions, contributing to a company's overall efforts to combat climate change. By managing energy use efficiently, organizations can also reduce waste, improve operational performance, and promote the long-term sustainability of our business.

Our approach

The Group actively encourages energy-saving practices throughout its operations. Employees are reminded to turn off lights, appliances, and equipment when not in use. Power-saving features and sleep modes are enabled on computers, photocopiers, and other devices to minimize unnecessary energy consumption. This approach not only reduces energy costs but also promotes a culture of mindfulness toward resource conservation among employees.

Our performance

Total energy consumption for the Group: 126,596 kWh. This total reflects energy consumed across both our headquarters and 6 retail outlets.

As we move forward, we are committed to further reducing our energy consumption across all locations, continuing our work towards becoming more energy-efficient and environmentally responsible.

Water Management

Why is this important?

Effective water management is crucial for conserving valuable resources, reducing costs, and minimizing the Group's environmental impact. Water is essential for day-to-day operations, and its responsible use aligns with broader sustainability objectives, supporting both operational efficiency and environmental conservation.

Our approach

The Group adopts water-saving practices and monitors water use across our office. Employees are encouraged to use water responsibly, minimizing unnecessary water use wherever possible. While our retail outlets share water facilities such as toilets in the malls where they are located, limiting our ability to track water usage in those locations, we continue to focus on optimizing water use at our headquarters.

Our performance

Total volume of water used for the Group: 1,841 m^3.

This total represents the water consumed across our headquarters. As our retail outlets share water facilities with the malls, we are unable to provide data on individual water usage.

Sustainability Statement
(Cont'd)

Waste Management

Why is this important?

Effective waste management is a critical component of environmental sustainability. It helps reduce the impact of waste on landfills, conserves resources, and minimizes pollution. By adopting responsible waste practices, businesses can contribute to the circular economy, lower their environmental footprint, and comply with local and international environmental regulations. Efficient waste management not only supports environmental goals but also promotes cost savings through better waste diversion and recycling, improves corporate reputation, and meets the growing expectations of consumers, investors, and other stakeholders who prioritize sustainability.

Our approach

Internally, we are highly conscious of our impact on the environment and are actively adopting responsible approaches to promote environmental sustainability in our daily operations. One key aspect of our waste management strategy is digitalization—we have transitioned to digital marketing materials, such as catalogues and brochures, to reduce paper printing. This not only helps minimize paper waste but also reduces the environmental impact of producing and distributing physical materials.

We also encourage electronic communication among employees to reduce paper usage. Methods such as email, instant messaging, and cloud-based document sharing are promoted as the preferred communication channels, and employees are encouraged to print hard copies of documents only when absolutely necessary. These practices help us reduce paper consumption, one of the primary contributors to waste in office environments.

In terms of physical waste, we ensure that waste is recycled where possible. We have designated areas for separating recyclables such as paper, plastic, and cardboard to ensure they are diverted from landfills.

Our performance

Total waste generated: 4.8 ton

Total waste diverted from disposal: 1.2 ton

Total waste directed to disposal: 3.6 ton

These figures are estimates based on our current waste management practices. We are committed to continuously improving our waste management efforts by increasing our recycling rate, reducing waste generation, and further optimizing the way we handle non-recyclable materials.

Emissions Management

Why is this important?

Emissions management is critical in reducing the environmental impact of a business's operations and contributing to global efforts to mitigate climate change. Greenhouse gas emissions and the release of harmful substances into the air can have adverse effects on both human health and the environment. As part of our commitment to sustainability, we focus not only on reducing our carbon footprint but also on ensuring that the products we offer do not contribute to harmful emissions in homes or the environment. This is especially important for air fragrance products, which can directly impact air quality and indoor environments.

Our approach

We take a holistic approach to emissions management by focusing on both our operational emissions and the composition of the products we sell. As part of our commitment to sustainable product development, we ensure that the ingredients used in our air fragrance products are made from plant extracts and other non-harmful ingredients, helping to reduce the environmental impact. Our products are free from harmful substances such as synthetic dyes, paraffin, formaldehyde, benzene, and toluene—chemicals known to have negative effects on both human health and the environment.

By using plant-based, eco-friendly ingredients, we minimise the potential for harmful emissions during the product's lifecycle, from manufacturing to end use. We are committed to promoting healthy indoor air quality and reducing our environmental impact through responsible ingredient sourcing and formulation.

Our performance

Currently, we have not recorded specific data on emissions, but we will collect and report emissions data in the future. Our approach to emissions management is expanding to include tracking the carbon footprint and air quality impact of our products, alongside ongoing efforts to reduce emissions across our operations. As part of this commitment, we are also exploring ways to further reduce the emissions generated from production and distribution processes.

In addition to reducing emissions through responsible sourcing and production, we will continue to monitor and assess the environmental performance of our products and operations. By ensuring that our products are made from environmentally safe ingredients, we aim to contribute positively to both public health and the environment.

Community Investment

Why is this important?

Community investment is a fundamental part of our corporate social responsibility (CSR) strategy. By actively contributing to the communities in which we operate, we aim to create positive social and economic impact, fostering stronger relationships with local stakeholders. Supporting community initiatives helps address pressing social issues, improve quality of life, and uplift vulnerable groups. Additionally, community investment strengthens our brand reputation, builds employee morale, and demonstrates our commitment to sustainable business practices. It reflects our values of inclusivity, social responsibility, and long-term commitment to societal well-being.

Our approach

Our approach to community investment is centred on making meaningful contributions to causes that align with our core values and business priorities. We focus on initiatives that have a direct and lasting impact on the lives of individuals, particularly those in need or facing significant challenges. Whether it is supporting education, healthcare, or special needs services, we aim to partner with organizations that share our vision for creating positive social change. Our investments are guided by principles of transparency, accountability, and collaboration, ensuring that our contributions are both effective and sustainable. We also encourage employee participation in volunteer activities to foster a culture of giving back within the organization.

Our performance

Total amount invested in the community where the target beneficiaries are external to the listed issuer: RM54,015.00

Total number of beneficiaries of the investment in communities: Six (6) humanitarian organisations

Our community investment initiatives have reached a variety of organizations, with significant involvement in supporting local causes. Some of our key contributions in the past year include:
- Health and Joy Boy's Centre – Supported twice, focusing on improving the health and well-being of children in need.
- SGCKL Berhad – Contributed once to assist in the provision of essential services and resources for the community.
- Pertubuhan Kebajikan Penyayang Permata Hati – Partnered once to support a welfare organization dedicated to helping disadvantaged groups.
- Junior Chamber International – Contributed once to this global organization that fosters leadership and social responsibility.
- Living Water Special Needs Family Centre – Supported once, helping families with special needs children access better care and resources.
- World Vision Malaysia – Engaged once in supporting global initiatives aimed at addressing poverty and education for children.

These contributions reflect our ongoing commitment to social responsibility and community engagement, demonstrating that we are invested not just in business growth, but in the betterment of society as a whole. We continue to look for opportunities to expand our involvement in community development and make a lasting impact.

Sustainability Statement
(Cont'd)

Employee Management

Why is this important?

Effective employee management is key to fostering a positive work environment, ensuring high employee engagement, and driving organisational success. By prioritizing the well-being, development, and rights of employees, organizations can create a supportive culture that enhances productivity, reduces turnover, and attracts top talent. Moreover, strong employee management practices contribute to compliance with labour laws, ethical standards, and human rights principles. When employees feel valued, respected, and supported in their roles, they are more motivated to contribute to the company's long-term goals, creating a sustainable and thriving workforce.

Our approach

We take a holistic and employee-centric approach to management, aiming to create a supportive, safe, and inclusive work environment. We focus on professional development, fair compensation, and promoting work-life balance for all employees. As part of our commitment to maintaining high ethical standards, we have implemented our Whistleblowing Policy and Code of Conduct and Ethics, both of which are publicly available on our website. These policies offer clear guidelines on how employees can report unethical behaviour and reinforce a transparent, accountable workplace.

In addition to fostering an ethical environment, we place a strong emphasis on employee training and development. We provide continuous learning opportunities to help employees build the skills necessary for career advancement and personal growth. Our training programs cover a wide range of topics, from technical and job-specific skills to soft skills like leadership, communication, and teamwork. Training is offered regularly, both in-person and through online platforms, to ensure that employees at all levels have access to relevant resources.

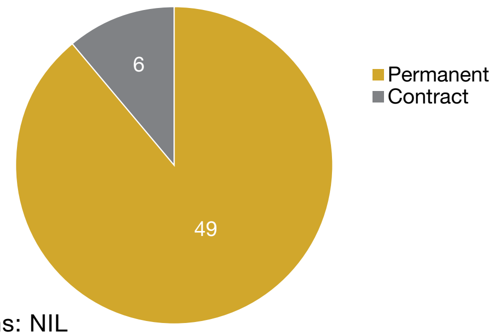
Our performance

Employee training hours: 217 hours

Total number of employee by category (permanent/contract):
- Permanent: 49 pax
- Contract: 6 pax

Turnover rate: 6 pax

Number of substantiated complaints concerning human rights violations: NIL



Diversity

Why is this important?

Diversity is essential for creating a dynamic, innovative, and inclusive workplace. A diverse workforce brings a variety of perspectives, experiences, and ideas, which can drive creativity, problem-solving, and better decision-making. By embracing diversity, companies can foster an environment where all employees feel valued and respected, leading to improved morale, collaboration, and employee retention.

Our approach

We are committed to promoting diversity across all areas of our business, ensuring that our workplace is inclusive, respectful, and welcoming to individuals of all backgrounds. Our approach to diversity involves actively encouraging recruitment from diverse talent pools, providing equal opportunities for career advancement, and creating an environment where everyone feels empowered to contribute their unique perspectives. We recognize that diversity goes beyond gender and ethnicity to include age, background, and experiences. As such, we strive to create an environment where employees are supported, regardless of their identity or demographic characteristics.

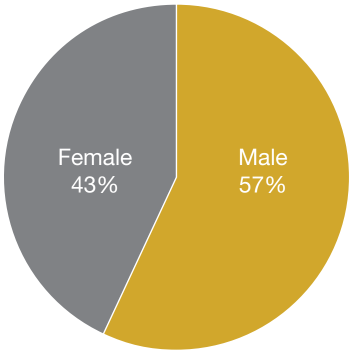
Sustainability Statement
(Cont'd)

Our performance

Board Diversity

Indicator	Number	%
Male	4	57
Female	3	43
Total	**7**	**100**

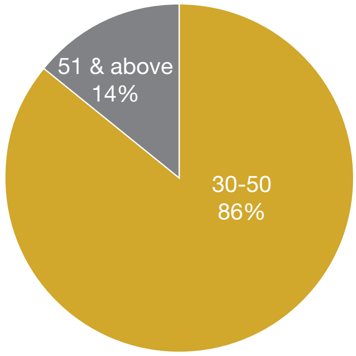
By Gender



By Age Group

Indicator	Number	%
Below 30	0	0
30 - 50	6	86
51 & above	1	14
Total	**7**	**100**

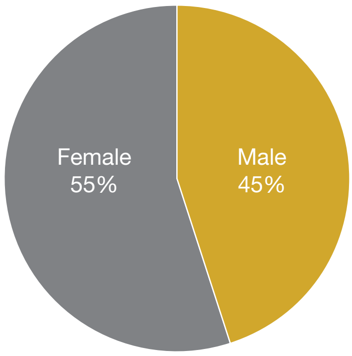
By Age Group



Workforce Profile

Indicator	Number	%
Male	25	45
Female	30	55
Total	**55**	**100**

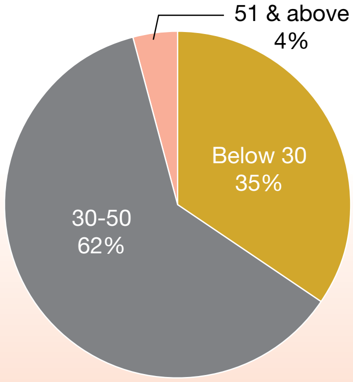
Workforce by Gender



Workforce by Age Group

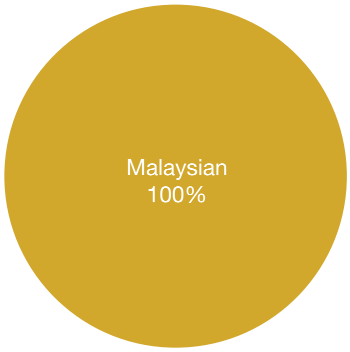
Indicator	Number	%
Below 30	19	35
30 - 50	34	62
51 & above	2	4
Total	**55**	**100**

Workforce by Age Group



Sustainability Statement
(Cont'd)

Workforce by Nationality



Workforce by Nationality

Indicator	Number	%
Malaysian	55	100
Foreigner	0	0
Total	**55**	**100**

Number of discrimination incidents reported and recorded: NIL

These diversity metrics reflect our ongoing efforts to build a workplace that is inclusive and diverse, with a strong representation of different genders, age groups, and local talent. The composition of our board reflects a strong commitment to gender diversity at the leadership level as we have met the 30% female board member representation as recommended by the Malaysian Code on Corporate Governance, aligning with best practices in corporate governance.

Health & Safety

Why is this important?

Health and safety in the workplace are critical to ensuring the well-being of employees, minimizing risks, and maintaining a productive and efficient working environment. A strong health and safety culture reduces the likelihood of workplace accidents, injuries, and illnesses, which in turn leads to lower absenteeism, higher morale, and enhanced productivity. Prioritizing employee safety not only protects the physical and mental health of workers but also ensures compliance with legal and regulatory requirements.

Our approach

We are committed to maintaining a safe working environment for all employees by adhering to rigorous health and safety standards. Our approach includes continuous risk assessments, safety audits, and the development of clear health and safety protocols across all operations. We prioritize employee training to ensure that everyone is equipped with the knowledge and skills to prevent accidents and respond effectively in emergencies. To further enhance our safety culture, we have established an Emergency Response Team (ERT), conducted specialized training for an OSH Coordinator, and implemented regular safety drills. These efforts are supported by a comprehensive health and safety management system that ensures workplace risks are effectively identified, monitored, and mitigated.

Our performance

Number of employees trained on health and safety standards: 11 pax

Number of work-related injuries: NIL

Lost time incident rate: NIL

Through these measures and our continuous focus on improving health and safety standards, we aim to reduce incidents, enhance employee well-being, and maintain a safe working environment for all employees. We will continue to invest in safety training, risk management, and employee engagement to further strengthen our health and safety culture.

Supply Chain Management

Why is this important?

Effective supply chain management is crucial because it directly impacts operational efficiency, cost-effectiveness, and the ability to deliver quality products to customers on time. A well-managed supply chain ensures the seamless flow of materials, information, and goods, enabling businesses to respond quickly to market demands and mitigate risks related to disruptions, price volatility, and supply shortages. By optimizing supply chain management, companies can enhance profitability, reduce waste, improve customer satisfaction, and maintain competitive advantage in a fast-changing global market.

Our approach

The Group's approach to supply chain management emphasises ethical sourcing, supplier diversity, and preference for local procurement wherever possible. We establish long-term partnerships with suppliers who share our commitment to sustainable and ethical practices, ensuring compliance with environmental and social standards. By fostering close relationships with our suppliers, we promote transparency and mutual accountability across the supply chain, which helps us achieve more consistent quality and reliability.

In FY2024, our key products were supplied by five (5) suppliers and two (2) of them are local business. Our local suppliers are mainly supplying our face mask and hand sanitiser products while the demand of these products had declined significantly post Covid19 pandemic.

Our international suppliers operate facilities that meet our stringent product standards and certifications. Foshan Ikeda Air Freshener Co. Ltd is ISO 9001:2015 certified and Aromate Industries Co. Ltd is ISO 9001:2015 and ISO 22716:2007 certified.

At present, local suppliers of air fragrance products are unable to meet our price competitiveness. However, we remain committed to supporting local businesses wherever feasible and local service providers are prioritised.

Our performance

Proportion of spending on local entities:

Spending in FY2024	Amount paid/payable to local entities (%)	Amount paid/payable to international entities (%)
Purchases and other cost of sales	16.0	84.0
Operating expenses (excluding staff cost)	98.4	1.6
Overall average	60.2	39.8

We are committed to continuous improvement in supply chain performance, both in terms of operational efficiency and the strategic impact on our business. Our commitment is to sourcing the best value for our Company while maintaining flexibility in our supply chain. While we continue to encourage local sourcing where feasible, we believe that a more global approach ensures we can access competitive prices, high-quality materials, and reliable suppliers—ultimately supporting our broader business goals and long-term sustainability.

Anti-Corruption

Why is this important?

Anti-corruption measures are essential to maintaining the integrity, trustworthiness, and ethical standing of any organization. For businesses, adopting a zero-tolerance approach to bribery and corruption is not only a legal requirement in many jurisdictions but also a key element in building a strong reputation for transparency and corporate governance. By actively combating corruption, we protect the organization from legal and reputational risks while promoting an ethical culture that ensures fairness and accountability across all levels of operations.

Our approach

We are committed to preventing corruption and bribery at all levels of the Group. In line with this commitment, we have published a comprehensive Anti-Bribery and Corruption Policy on our website, which is fully aligned with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018). This policy sets clear guidelines for employees, contractors, and business partners, outlining the organization's stance against any form of corruption. Additionally, we have implemented a Whistleblowing Policy and a Code of Conduct and Ethics, both of which are publicly available on our website. These policies encourage transparency, provide clear reporting channels for any unethical behaviour, and reinforce our commitment to ethical business practices.

These policies apply to all directors, employees, and individuals associated with Vanzo, ensuring a unified approach to combating corruption at all levels. The Group is dedicated to fostering a culture of compliance and ethical behaviour, providing training and resources to help employees understand their responsibilities in preventing corruption.

We also regularly assess corruption related risks in our operations to identify and address potential vulnerabilities. While we do not currently audit our business partners—such as suppliers, vendors, and agents—regarding their adherence to anti-corruption practices, we are planning to implement such audits next year as part of our ongoing commitment to strengthening our anti-corruption framework.

Our performance

Percentage of employees who have received training on anti-corruption by employee category: 26.53%

Percentage of operations assessed for corruption related risks: 100%

Confirmed incidents of corruption and action taken: NIL

We are committed to maintaining high ethical standards, preventing corruption, and ensuring compliance with relevant laws. As we continue to enhance our anti-corruption initiatives, we remain dedicated to fostering a culture of integrity and transparency across our organization and supply chain.

Data privacy & security

Why is this important?

Data privacy and security are essential in protecting personal and sensitive information of our stakeholders. Customers and stakeholders trust businesses with their data, and safeguarding that trust is critical to maintaining long-term relationships and complying with data protection regulations. Ensuring robust data privacy and security measures not only protects against cyber threats but also promotes a culture of transparency, responsibility, and respect for individual privacy.

Our approach

The Group maintains stringent data privacy protocols, regularly reviewing and upgrading its systems to protect stakeholder information. The Group has implemented various security measures, including system monitoring and adherence to data management policies, to prevent unauthorized access and breaches. In addition, we ensure that our data privacy policies comply with all relevant laws and regulations, including the Personal Data Protection Act (PDPA) and other international standards.

Our performance

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data: NIL

We are proud to report that our data privacy and security measures have resulted in a strong track record of safeguarding customer and organizational data. This achievement reflects the ongoing dedication of our teams to uphold the highest standards of data privacy and security, ensuring that customer data remains safe and secure at all times.

CONCLUSION

This report highlights our ongoing commitment to sustainability, responsible business practices, and the well-being of our stakeholders. We recognize that our operations, products, and services have a direct impact on the environment, society, and the economy. Through the implementation of robust systems, including ISO 9001:2015 for quality management, anti-corruption policies, and sustainability initiatives, we aim to uphold the highest standards of governance and environmental responsibility. By fostering a culture of continuous improvement, we strive to align our operations with global sustainability standards, reduce our environmental footprint, and make a positive impact on society.

We recognise that managing these critical areas is not only vital for compliance but also for contributing to a more sustainable future. Our focus on using eco-friendly ingredients in our products further underscores our dedication to minimizing harmful emissions and promoting environmental health.

While we continue to track and report on our progress, we acknowledge that sustainability is an ongoing journey. We are committed to evolving and adapting to the dynamic challenges of the future, ensuring that our actions today pave the way for a more sustainable tomorrow. Through transparency, accountability, and engagement with our stakeholders, we aim to remain at the forefront of responsible business practices, creating shared value and a positive impact for all.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the significance of upholding strong corporate governance within the Group to safeguard and enhance shareholders' value and stakeholders' interests. In this regard, the Board remains committed to ensuring the effective implementation of corporate governance practices as outlined by the Malaysian Code on Corporate Governance ("**MCCG**") across the Group.

In line with this commitment, the Board is pleased to present this Corporate Governance Overview Statement ("**CG Statement**" or "**Statement**"), which provides a succinct summary of the Group's initiatives and commitment in fostering sound corporate governance during FYE 2024 and up to the date of this Report ("**Review Period**"). This CG statement has been prepared in accordance with Rule 15.25(1) and Guidance Note 11 of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), with reference to the following three (3) key corporate governance principles as guided by the MCCG: -

Principle A - Board Leadership and Effectiveness;
Principle B - Effective Audit and Risk Management; and
Principle C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The Company may not able to apply all the principles and practices as set out in MCCG in accordance with Rule 15.25 of AMLR of Bursa Securities as the Company was only listed on 17 December 2024 and therefore, certain practices and processes are in the midst of formalising.

Shareholders are encouraged to peruse this CG Statement with the Company's Corporate Governance Report 2024 ("**CG Report**"), which provides detailed disclosures and explanations on the application of each corporate governance practice. The CG Report is made available on the Company's website at https://vanzoasia.com/ and Bursa Securities' website at https://www.bursamalaysia.com/.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. Board Leadership

The Board is ultimately responsible to set the Group's strategic directions and objectives, define its risk tolerance level and determine appropriate resources allocation in order to drive the Group's sustainable growth. To this end, the Board has established the Group's vision, mission and core values by taking into account the interests of shareholders and other stakeholders, as follows: -

Vision	We aim to be an air fragrance brand in Asia known for our quality and commitment to safety.
Mission	We want to let people enjoy world-class quality air fragrance at a reasonable price.
Core Value	We rely on the core values of "Responsibility, Enthusiasm, Gratitude, Respect and Efficiency" to build a long-lasting business.

While the Board as a whole assumes the ultimate oversight responsibility, it has delegated certain authorities and responsibilities to three (3) Board Committees, namely Audit and Risk Management Committee ("**ARMC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") in order to enhance the Board's efficiency and effectiveness. Each Board Committee executes their scope of duties based on their respective Terms of Reference, which are made publicly available on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

The Board is led by Mr. Lim Seng Lee, an Independent Non-Executive Chairman. The Board Chairman is responsible for providing leadership, overseeing the Board's overall effectiveness and promoting strong corporate governance practices within the Board. Mr. Lim also plays a key role to chair and facilitate Board meetings, ensuring that all Directors have the opportunity to participate in discussions and that all agenda items are thoroughly reviewed and deliberated.

To ensure a balance of power and authority within the Company, the positions of Board Chairman and Managing Director are held by separate individuals, each with distinct roles and responsibilities. Mr. Lim Seng Lee, as the Board Chairman, focuses on corporate governance, leadership and overall effectiveness of the Board, while Mr. Wong Liang Tzer, as the Managing Director, is entrusted to spearhead the implementation of the Group's strategic plans and policies so as to oversee the Group's daily operations. The distinct and separate roles of the Board Chairman and Managing Director are clearly outlined in the Board Charter to ensure a fair and balanced decision-making process, thereby protecting the interests of shareholders and other stakeholders.

In addition, the Board Chairman is not a member of ARMC, NC and RC. This shall ensure a check and balance control and objective assessments in the Board Committees in accordance with Practice 1.4 of the MCCG. This structure also upholds the independence and objectivity of deliberation and decision-making process during Board and Board Committees meetings.

During FYE 2024, the Board was effectively supported by two (2) suitably qualified Company Secretaries, namely Ms. Teo Soon Mei and Ms. Lim Jia Huey, both of whom are Fellow and Associate members of The Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**") and qualified to act as company secretaries under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries are primarily responsible to advise and support the Board on matters relating to the Company's administration, governance and meeting procedures, ensuring compliance with legal and corporate governance standards at all times.

During the financial year under review, the Company Secretaries and representatives of the Company Secretaries provided advice, updates and guidance to the Board and Management on matters of a regulatory or company secretarial nature. The Company Secretaries attended all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are in place including disseminating complete and accurate meeting materials in a timely manner.

As guided by the Board Charter, the Board shall meet at least four (4) times annually, with additional meetings to be convened as and when necessary. In view of the Company's recent listing on the ACE Market on 17 December 2024, the Board held a total of three (3) Board meetings during FYE 2024. All Directors committed their time and attended all Board meetings held during the financial year, as detailed below: -

Directors	Appointment Date	Directorship	Meeting Attendance
Lim Seng Lee	16/04/2024	Independent Non-Executive Chairman	2/2*
Wong Liang Tzer	29/12/2023	Non-Independent Executive Director / Managing Director	3/3
Tan Chin Soon	29/12/2023	Non-Independent Executive Director	3/3
Choe Sook Ling	16/04/2024	Non-Independent Non-Executive Director	2/2*
Tan Kea Yong	30/04/2024	Independent Non-Executive Director	1/1*
Wong Phait Lee	16/04/2024	Independent Non-Executive Director	2/2*
Choo Foong Ling	16/04/2024	Independent Non-Executive Director	2/2*

** Reflects the number of meetings held during the time of the Director held office.*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

Relevant senior management members and advisors were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors.

The Company was listed on 17 December 2024, as such, there were no RC and NC meetings held during FYE 2024. Except for ARMC, the said Committee held a meeting on 30 April 2024 to discuss the draft Accountants' Report for the purpose of the pre-admission consultation pack submission in respect of the IPO, draft financial information contained in the working capital sufficiency statement and Proforma Combined Statement of Financial Position, corporate governance, risk management and internal controls review report as well as review and ratify the list of related party transactions entered and/or to be entered by the Company.

The Board Committee meetings for ARMC, NC and RC had been conducted separately from the Board meeting during the Review Period to enable objective and independent discussion during the meetings.

To facilitate the conduct of Board and Board Committees meetings, all meetings are scheduled in advance, allowing Directors to reserve their time and make necessary arrangements to attend the meetings. Relevant notices of meetings, along with the agenda, minutes of previous meetings and meeting papers, are circulated to the Directors at least five (5) business days before the scheduled meetings. This ensures that Directors have sufficient time to peruse and consider on matters to be discussed and if necessary, to obtain further information in order to facilitate their decision-making process during the meeting. Additionally, all Directors have direct and unrestricted access to any information pertaining to the Group's business affairs, whether as a full Board or individually, and may seek independent professional advice, if necessary, at the Company's expense to discharge their duties and responsibilities effectively.

All matters, discussions, deliberations and decisions made during the meetings are properly recorded by the Company Secretaries in the meeting minutes, which are then circulated to the Board for review before they are confirmed and adopted by members of the Board and/or Board Committee at the subsequent meeting.

2. Board Charter

The Board has adopted a Board Charter on 20 June 2024, outlining amongst others, the Board structure, roles and responsibilities of the Board, Board Committees and individual Directors, as well as matters reserved for the Board, along with the Board's governance and authority.

The Board Charter is subjected to periodic review in order to ensure its alignment with the Company's policies and procedures, the Board's overall responsibilities as well as the latest regulatory environment. A copy of the Board Charter is published and available on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php.

3. Business Ethics and Integrity

The Group takes a stance to conduct business with the highest standards of ethics and integrity. In this regard, the Board has adopted a Code of Conduct and Ethics ("**the Code**") across the Group. The Code provides guidance to all Directors, Management and employees to uphold professionalism, honesty and integrity in all interactions, including but not limited to managing conflict of interest, bribery and corruption, money laundering as well as insider trading.

Furthermore, the Group has adopted an Anti-Bribery and Corruption Policy ("**ABC Policy**") which governs the prevention of corruption and unethical practices and provide guidelines to combat bribery and corruption in alignment with Section 17A of the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009 (Amendment 2018) guided by the principles of the Ministerial Guidelines and Rule 15.28 of the AMLR of Bursa Securities. This ABC Policy reaffirms the Group's zero-tolerance stance against any form of bribery and/or corruption while providing a clear framework for addressing bribery and corruption-related matters should they arise.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

3. Business Ethics and Integrity (Cont'd)

To facilitate the implementation of the Code and ABC Policy, the Board has formalised a Whistleblowing Policy on 20 June 2024 which provides an avenue for all Directors, employees and stakeholders to raise concerns and report any suspected or known misconduct, wrongdoing or malpractice. Whenever possible, such matter should be raised and dealt with through the normal reporting lines and procedures within the Group. In the event that reporting to Management is not possible or appropriate, such matter can be raised directly to the Chairman of the ARMC via post or email.

All information is handled with utmost confidentiality to protect whistleblowers who report in good faith from any discrimination, retaliation or harassment in compliance with the Whistleblower Protection Act 2010. Upon receiving a whistleblowing report, an independent investigation will be conducted and appropriate disciplinary actions will be taken thereafter.

All the Code, ABC Policy and Whistleblowing Policy are made available for public's reference on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php. The Board will review these policies as and when necessary to ensure its continued relevance and compliance with all applicable laws and regulations.

For the FYE 2024 and up to the date of this Statement, the Board is pleased to inform that ARMC has not received any report from any whistleblower pertaining to breaches of the Company's policies or applicable laws and regulations.

4. Sustainability Governance

The Board recognises the growing concern and importance of sustainability in driving the Group's long-term value creation. To this end, the Board holds primary responsibility for the Group's sustainability development and management, including setting and overseeing the Group's sustainability strategies, priorities and targets.

To effectively manage the Group's sustainability risks and opportunities, the Board has carried out a material matters assessment to identify, assess and prioritise the Group's sustainability risks and opportunities with the context of Economic, Environment, Social and Governance ("**EESG**"). The Board has also made reference to the regular engagement with various stakeholders to shape the Group's sustainability strategies and priorities, ensuring that the stakeholders' needs and expectations are heard and considered. Details of the Group's sustainability performance and management are stipulated in the Sustainability Statement within this Annual Report.

To stay updated with the latest sustainability landscape, the Board has taken initiatives to attend relevant training programmes in order to keep themselves abreast of the latest sustainability trend and issues. Moving forward, the NC together with the Management will identify and recommend the Board with relevant and appropriate training programmes to keep pace with the industry developments and trends so as to remain informed on the latest sustainability issues pertinent to the Group. A comprehensive list of Directors' training is available in Section 5 of this CG Statement.

In view of the Company's recent listing on 17 December 2024, the Company has not adopted evaluation form for Board and Board Committee during FYE 2024. Subsequent to the listing of the Company, the NC had conducted a NC meeting on 15 January 2025 to review the overall performance of the Board and Board Committee based on the criteria stated in the Terms of Reference of NC and several factors outlined in the Directors' Fit and Proper Policy as well as their quality and integrity to ensure that the Board has an appropriate mix of skills and experience to meet the business requirements. The NC will adopt a comprehensive evaluation form for Board and Board Committees to assess their performance in financial year ending 30 September 2025 ("**FYE 2025**"). As part of the Company's sustainability initiatives, the Board, through the NC, will include sustainability consideration into the performance evaluation of the Board.

The Board does not appoint any Chief Sustainability Officer, however, the Managing Director led the management of sustainability during FYE 2024. The Managing Director may have a strong vision for sustainability that aligns with the Company's strategic goals.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION

5. Board Diversity and Objectivity

The Board presently has seven (7) members, comprising a Non-Independent Executive Director/Managing Director, a Non-Independent Executive Director, a Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors including the Board Chairman, as follows: -

Name	Directorship
Lim Seng Lee	Independent Non-Executive Chairman
Wong Liang Tzer	Non-Independent Executive Director / Managing Director
Tan Chin Soon	Non-Independent Executive Director
Choe Sook Ling	Non-Independent Non-Executive Director
Tan Kea Yong	Independent Non-Executive Director
Wong Phait Lee	Independent Non-Executive Director
Choo Foong Ling	Independent Non-Executive Director

By having four (4) Independent Non-Executive Directors sitting on the Board, the current Board composition complies with the requirements of Rule 15.02 of the AMLR and Practice 5.2 of the MCCG. This shall preserve the objectivity of the Board's deliberation and decision-making process so as to protect the interests of shareholders and other stakeholders.

In line with Practice 5.3 of the MCCG, the Board also preserves the independence of the Independent Directors by setting a policy of redesignation as a Non-Independent Director in the event when an Independent Director wishes to continue to serve on the Board upon completion of a cumulative terms of nine (9) years, subject to the Board's approval. Should the Board intend to retain the Director as an Independent Non-Executive Director, it must provide justification based on the findings from the Board's review, which should be disclosed to shareholders for their approval at the Company's Annual General Meeting ("**AGM**") through a two-tier voting process. Such policy is set out in the Board Charter and Terms of Reference of the NC, both of which are made publicly available on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php. As at 30 September 2024, none of the Independent Non-Executive Directors has served for more than nine (9) years on the Board.

The NC is responsible for overseeing the selection, appointment and re-appointment of Directors, as well as conducting continuous assessments of their performance. As at 30 September 2024, the NC is chaired by an Independent Non-Executive Director, comprising a total of three (3) members as follows: -

Position	Name	Directorship
Chairman	Choo Foong Ling	Independent Non-Executive Director
Member	Wong Phait Lee	Independent Non-Executive Director
Member	Choe Sook Ling	Non-Independent Non-Executive Director

The NC is governed by its Terms of Reference, which has been approved by the Board and made available on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

As the Company was newly listed on ACE Market on 17 December 2024, no NC meeting was held during the FYE 2024. Nevertheless, following the Company's listing on ACE Market, the NC has undertaken the following activities to fulfil its duties at the meeting held on 15 January 2025: -

(a) Reviewed the size and composition of the Board to ensure a balanced composition;

(b) Reviewed and assessed the overall Board and the Board Committees' performance and effectiveness as a whole;

(c) Reviewed the term of office and performance of the ARMC and each of its members to determine whether they have effectively carried out their duties in accordance with their Terms of Reference;

(d) Evaluated the length of service of each Independent Non-Executive Director;

(e) Reviewed the Directors' performance and recommended the re-election of Directors under retirement in accordance with the provisions of the Constitution of the Company; and

(f) Reviewed and assessed the list of Directors' training to evaluate the adequacy and relevance of training programmes for their professional development.

In addition to Board objectivity, the Board also emphasises on Board diversity to support the Group's sustainable growth. In conjunction with the Company's recent listing, the current Directors were recommended by existing Directors, major shareholders and members of the independent due diligence working group who are involved in the Company's listing exercise. As a result, the current Board consists of a diverse pool of talent from various backgrounds, including business management, sales, finance, accounting, audit and legal expertise. With such broad range of backgrounds and experiences, the Board members collectively bring diverse ideas and perspectives, fostering in-depth deliberations to ensure the well-functioning and sustainable development of the Group. The details on qualification and experience of each Director are delineated in the Profile of Directors section within this Annual Report.

To further support this commitment, the Board has adopted a Directors' Fit and Proper Policy on 20 June 2024, which sets out clear criteria for the NC and the Board to consider for the appointment and re-appointment of Directors. In accordance with the Company's Constitution, an election of Directors shall take place every year at the AGM where one-third (1/3) of the Directors shall retire from office once at least in each three (3) years but shall eligible for re-election. In view of the Company's recent listing on 17 December 2024, the assessment on re-election of Directors who are due for retirement was conducted on 15 January 2025. Pursuant to Clause 84.1 of the Constitution of the Company, all the Directors shall retire at the first AGM of the Company and all the retiring Directors have consented and offered themselves for re-election at the forthcoming first AGM of the Company. The NC have made reference to the Directors' Fit and Proper Policy to review the Board composition and tenure of Directors. Based on the results of the Board's annual assessment and the fit and proper assessment conducted for financial year ended 30 September 2024, it was found that the Retiring Directors' performance and fit and proper status were satisfactory.

In terms of gender diversity, the Board has also put in place a Gender Diversity Policy on 20 June 2024, which outlines the objectives and strategies to promote gender diversity in both the Board and Senior Management. As at 30 September 2024, the Board is supportive of gender diversity by having three (3) women Directors, constituting 43% female Board representation, exceeding the 30% women directors' recommendation as recommended by Practice 5.9 of the MCCG and AMLR of Bursa Securities.

On top of ensuring the suitability of the Board's structure and composition, the Directors have also enriched themselves by attending various training programmes in order to ensure that they are continually equipped with the necessary knowledge and skills for an effective discharge of their duties.

Corporate Governance Overview Statement
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

During FYE 2024, the Directors have attended the following training programmes and/or seminars other than Mandatory Accreditation Program ("MAP") Part I: -

Directors	Date	Training Programme/Seminar Attended
Lim Seng Lee	4/10/2023-6/10/2023	International Greentech & Eco Product Exhibition and Conference Malaysia by IGEM
	19/10/2023	Introduction to Positive Intelligence – How You Can Achieve Your True Potential
	19/2/2024	Extended Producer Responsibility for Post-Consumer Packaging - from Voluntary to Mandatory by Malaysian Recycling Alliance (MAREA)
	29/2/2024	Sharing of "The Power of Sentiment Analysis" by Vistage Malaysia
	25/4/2024	Industry Networking Session by Islamic Tourism Centre
	9/5/2024	National Chamber of Commerce & Industry of Malaysia Strategic Innovation and Global Alliances: Propelling Malaysia to the Forefront of Global Economy
	26/6/2024	Business Opportunities Networking Luncheon with Associations and Chambers of Commerce by FMM Perak
	20/7/2024	Northern Perak Chinese Chamber of Commerce - LHDN E-Invoicing Briefing
	25/7/2024-27/7/2024	Invest Selangor - Business Summit
	14/8/2024	MTS-MSME Perak Benchmarking Program by MATRADE - MTCDP
	15/8/2024	Malaysia China Summit 2024 - Prosperity Beyond 50 by QUBE – MITI – MATRADE
	20/8/2024	Benchmarking Program: Global Branding and Sustainability by MATRADE MTCDP Perak
	7/9/2024	A Day of Disruption with David Roberts by Young President Organisation (YPO)
	9/9/2024-11/9/2024	17th World Chinese Entrepreneurs Convention by ACCCIM
Wong Liang Tzer	29/2/2024	Emergency Response Team (ERT) Training
	17/4/2024	Malaysia Anti-Corruption Commission (MACC) Section 17A (HR Strategies & Implementation)
Tan Chin Soon	29/2/2024	Emergency Response Team (ERT) Training
	17/4/2024	Malaysia Anti-Corruption Commission (MACC) Section 17A (HR Strategies & Implementation)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

During FYE 2024, the Directors have attended the following training programmes and/or seminars other than Mandatory Accreditation Program ("MAP") Part I (Cont'd): -

Directors	Date	Training Programme/Seminar Attended
Wong Phait Lee	5/12/2023	Aspiring CFOs: A roadmap to financial leadership - organised by Malaysian Institute of Accountants
	31/1/2024	Navigating Recent Tax Changes in Malaysia: A Guide for Employers and Directors; organised by Boardroom Limited
	6/3/2024-7/3/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); organised by ICDM
	14/3/2024	Decoding the TCFD Reporting Framework; organised by Malaysian Institute of Accountants
	23/5/2024	Implementation of E-Invoicing; organised by LumenzTax
	20/6/2024	Navigating the Updates on International Valuation Standards: Transforming Valuation Practices; organised by Malaysian Institute of Accountants
Choo Foong Ling	26/10/2023	Tax Seminar on Budget 2024 by Grant Thornton

All Directors appointed to the Board have attended the MAP Part I as prescribed by Bursa Securities before the Company listing in ACE Market on 17 December 2024. The Directors will attend MAP Part II before the deadline prescribed by Bursa Securities. Additionally, the Directors are encouraged to attend continuous education programmes, seminars, conferences, receiving further training from time to time to keep abreast with the latest developments in statutory requirement and regulatory guidelines, where appropriate. This training aims to enhance their business acumen and professionalism in fulfilling their duties to the Group.

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

6. Board Effectiveness

As guided by the Terms of Reference, the NC is responsible to review the effectiveness of the Board and Board Committees as well as the contribution and performance of each Director on an annual basis. However, as the Company was newly listed on 17 December 2024, NC carried out a performance evaluation to evaluate the effectiveness of the Board, Board Committees and each Directors for the FYE 2024 on in its first NC meeting held on 15 January 2025. The said evaluation conducted via physical evaluation forms distributed to all Board members. The evaluation focused on the following criteria: -

(a) Board Composition;
(b) Board Committee Composition; and
(c) Effectiveness of the Board and Board Committee.

The Board and NC will adopt a comprehensive evaluation form for Board and Board Committees to assess their performance based on the criteria stated in the Terms of Reference of NC and factors outlined in the Directors' Fit and Proper Policy as well as their quality and integrity to ensure that the Board has an appropriate mix of skills and experience in FYE 2025.

The Board is of the view that such internal performance evaluation facilitated by Company Secretary will be effective and hence no external party will be engaged for the said purpose.

Based on the performance evaluation for FYE 2024, the overall performance of the Board, Board Committees and individual Directors are satisfactory. It was concluded that the Board, Board Committees and all Directors have adequately and effectively discharged their duties and responsibilities during FYE 2024. Additionally, the overall composition of the Board and the Board Committees is deemed well-balanced and appropriate based on the current size, skills mix, core competencies and experience.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III: REMUNERATION

7. Remuneration Policy

The Board has established the Remuneration Policy on 20 June 2024 which empowered the RC to review, design and recommend the appropriate remuneration packages for the Board and Senior Management to attract, motivate and retain our talents in working towards the Group's business objective and goals.

As at 30 September 2024, the composition of the RC is tabled as follows: -

Position	Name	Directorship
Chairman	Choo Foong Ling	Independent Non-Executive Director
Member	Wong Phait Lee	Independent Non-Executive Director
Member	Choe Sook Ling	Non-Independent Non-Executive Director

The RC is guided by its Terms of Reference which has been established and adopted on 20 June 2024 in managing the Company's and the Group's remuneration affairs. The said Terms of Reference is published on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php.

To facilitate the effective discharge of RC's functions, the Board has also implemented a Remuneration Policy which serves as a guide for the RC to determine the remuneration package of Directors and Senior Management. The policy takes into consideration of factors, such as their demands, complexities, performance as well as skills and experiences.

The Remuneration Policy indicates that the level of remuneration for the Managing Director, Executive Director and Senior Management is determined based on factors such as the scope of their duties and responsibilities, experience, alignment with the Company's values and strategic goals, individual and the Group's performance, as well as current market rates within the industry and comparable companies. Additionally, annual bonuses for the Managing Director, Executive Director and Senior Management are discretionary, designed to reward outstanding performance and are assessed based on both quantitative and qualitative factors.

In contrast, the remuneration structure for Non-Executive Directors shall be a fixed sum and not linked to the Group's profits or turnover. These fees shall reflect the relevant market rate, the Directors' level of qualifications and contributions, as well as the extent of their duties and responsibilities to the Company.

The Remuneration Policy is published on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php and is subjected to periodic review by the Board at least once every three (3) years to ensure its relevance and effectiveness in alignment with the Group's evolving business environment, administrative or operational needs as well as latest regulatory environment.

8. Remuneration of Directors and Senior Management

The detailed disclosure on named basis of the remuneration of individual Directors and the breakdown of the remuneration of each individual Directors from the Company for FYE 2024 is disclosed in the Corporate Governance Report of the Company for FYE 2024.

The Board is of the view that disclosure of the remuneration of Senior Management on a named basis may not be in its best interest to the Company as such disclosure may cause result in talent retention challenges in the competitive industry. Alternatively, the Board has opted to disclose the Senior Management's remuneration for the FYE 2024 in bands of RM50,000 on an unnamed basis, tabled as below: -

Range of Remuneration	Number of Senior Management
RM150,000 to RM200,000	1
RM200,000 to RM250,000	1
RM250,000 to RM300,000	-
RM300,000 to RM350,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT AND RISK MANAGEMENT COMMITTEE

9. Effective and Independent ARMC

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, listed as below: -

Position	Name	Directorship
Chairman	Wong Phait Lee	Independent Non-Executive Director
Member	Tan Kea Yong	Independent Non-Executive Director
Member	Choo Foong Ling	Independent Non-Executive Director

The ARMC is primarily entrusted to oversee the Group's accounting, auditing, internal controls and risk management functions. To ensure an objective and independent discharge of duties, the roles of Board Chairman and ARMC Chairman are held by two (2) distinct individuals, with Mr. Lim Seng Lee as the Board Chairman and Ms. Wong Phait Lee as the ARMC Chairman.

The ARMC Chairman, Ms. Wong Phait Lee, possesses a strong level of professional qualification in leading the ARMC. She is a member of the CPA Australia and Malaysia Institute of Accountant ("**MIA**") with over 28 years of experience in corporate finance across various equity and debt capital markets. Ms. Choo Foong Ling is also a member of MIA and the Malaysian Institute of Certified Public Accountants ("**MICPA**"), and has over 27 years of experience in audit and finance-related matters. Meanwhile, Mr. Tan Kea Yong has been involved in the legal professional for more than 12 years.

Although only two-third (2/3) of the ARMC are affiliated with professional accounting bodies, the ARMC as a whole is financially literate which had fulfilled with the requirements under Rule 7.1(a)(ii) of the Guidance Note 9 of the AMLR and their continuous training and development in accounting and auditing standards, practices and rules through various training programmes as well as updates from the Management and External Auditors.

To safeguard the independence of the ARMC, the Terms of Reference of the ARMC stipulates that a former key audit partner of the Group shall observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. As at 30 September 2024, none of the ARMC members are former audit partners who have been involved in the auditing of the Group.

As guided by its Terms of Refence, the ARMC is tasked to assess the suitability, objectivity and independence of the External Auditors. Such assessment shall take into consideration of the following criteria, amongst others: -

(a) Adequacy in terms of competence, experience, quality and independence of External Auditors; and

(b) The External Auditors' capacity, resources and ability to meet deadlines in providing quality services and responding to issues in a timely manner in accordance with the Audit Planning Memorandum.

Based on the outcome of the assessment during Review Period, the Board is satisfied that the Chairman and all ARMC members possess the relevant skills, competencies and also comprehend to effectively performed the assigned responsibilities and duties.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10. Effective Risk Management and Internal Control System

As guided by the Board Charter, the Board is committed to implementing and maintaining an appropriate risk management and internal control system to safeguard shareholders' investments, stakeholders' interests as well as the Group's assets. To achieve this, the Board has put in place an Enterprise Risk Management Framework ("**ERM Framework**") on 20 June 2024, which outlines five (5) key risk management procedures, namely identify, analyse, respond, monitor and report potential risks or structural weaknesses that could hinder the Group's business objectives.

In hand with the ERM Framework, the Board, through the Management, has also implemented various Standard Operating Procedures ("**SOPs**") in the Group's daily operations to ensure a smooth operations and sound governance in the Group's day-to-day business activities.

To facilitate the effective functioning of the Group's risk management and internal control system, the Board is supported by the ARMC to regularly review and assess the effectiveness and adequacy of the Group's risk management and internal control system. Concurrently, the Senior Management, under the guidance of the Managing Director, is responsible for implementing the core components of the ERM Framework, namely strategy, culture, people, processes, technology and structure, into the Group's daily operations.

Further details on the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control within this Annual Report.

11. Internal Audit Function

In the preparation for the Company's listing on the ACE Market, the Company appointed SocialGreen Governance Sdn Bhd ("**SocialGreen**"), an independent professional firm which is free from any relationship or conflict of interest with the Group, to conduct an internal control review on the adequacy and sufficiency of the Group's corporate governance as well as risk management and internal control system. The internal control review is led by Ms. Andrea Huong Jia Mei, who is the Director of SocialGreen. Ms. Andrea is a member of the Association of Chartered Certified Accountants ("**ACCA**") and a Chartered Accountant with the MIA. During FYE 2024, she was supported by a team of two (2) personnel to conduct the internal control review in accordance with the International Professional Practices Framework ("**IPPF**").

The Board appointed Eco Asia Governance Advisory Sdn Bhd ("**Eco Asia**") on 5 December 2024 to oversee the Group's internal audit function on an outsourced basis prior to its listing on 17 December 2024. The Internal Auditors are independent and free from any relationships or conflict of interest with the Group, ensuring that they can perform their internal audit review objectively, impartially, proficiently and with due professional care. The Internal Auditors had presented the Internal Audit Plan of the Group for FYE 2025 on 5 December 2024 which had been duly approved by the Board. Therefore, Eco Asia will conduct the internal audit reviews based on the approved internal audit plan and in accordance with the IPPF.

Further information on the Group's internal control review and internal audit function can be referred to the Statement on Risk Management and Internal Control within this Annual Report.

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

PART I: ENGAGEMENT WITH STAKEHOLDERS

12. Communication between the Company and Stakeholders

The Board recognises that effective communication with stakeholders is essential for the Group to better understand their expectations, opinions and perspectives, which in turn supports the Group's sustainable business growth. In this regard, the Board strives to maintain an efficient, prompt and transparent communication with various stakeholders by providing informative, accurate and timely disclosure on the Group's business operations and developments to the shareholders and the public.

To this end, the Company adopts the following channels and platforms for the dissemination of information to various stakeholders: -

(a) Company's website and social media platforms;
(b) Announcements made to Bursa Securities;
(c) Annual Report;
(d) AGM;
(e) Press releases; and
(f) Investor briefings.

Additionally, the Company will release its first Annual Report for FYE 2024 in January 2025 which provides essential information, financial performance, risk assessment and future growth plans for shareholders and potential investor. Following the release of Annual Report for FYE 2024, the Company will hold its first AGM in February 2025 to provide an avenue to shareholders to voice their opinions and ask questions.

While the Company strives to provide as much information as possible, the Board is mindful of the legal and regulations in governing the release of material and sensitive information.

PART II: CONDUCT OF GENERAL MEETINGS

13. Effective General Meetings

AGM serves as the principal forum for dialogue with shareholders on an annual basis. As such, the Board places significant emphasis for the conduct of AGM to ensure that shareholders have a direct and meaningful communication with the Board and Management. Shareholders are encouraged to actively participate at the AGM, in which they can exercise their rights to ask questions, provide recommendations/feedbacks and vote on the Group's key matters.

Following the Company's recent listing on 17 December 2024, the Company's first AGM will be scheduled in February 2025. In adherence to MCCG Practice 13.1, the Board will ensure that the notice of AGM will be circulated to shareholders at least 28 days before the scheduled AGM, ensuring that shareholders have sufficient time to consider the agenda and proposed resolutions that will be discussed and voted during the AGM.

The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper. The notes to the Notice of AGM also provide the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

The Company's first AGM will be held virtually, enabling remote participation and electronic voting to encourage broader shareholder participation. While leveraging technology for the conduct of AGM, the Board will ensure that appropriate measures will be implemented by the poll administrator of the AGM to protect shareholders' information and uphold good cyber hygiene practices.

Corporate Governance Overview Statement
(Cont'd)

PART II: CONDUCT OF GENERAL MEETINGS (CONT'D)

13. Effective General Meetings (Cont'd)

Furthermore, the Board will ensure that all Directors, including the chairman of each Board Committee, attend the AGM and effectively address shareholders' questions and concerns. The Chief Financial Officer and External Auditors will also be invited to attend the first AGM to address shareholders' queries and concerns, if any. The Board Chairman will ensure that shareholders have sufficient time and opportunity to submit their questions via the remote participation and voting facilities during the AGM.

Upon completion of the AGM, the Board will ensure that the minutes of the AGM will be published on the Company's website within 30 business days in order for the shareholders to have a timely recap on the meeting proceedings.

COMPLIANCE STATEMENT

The Board believes that the Company has complied with the key principles and implemented most of the practices outlined in the MCCG during the FYE 2024 and up to Review Period. The Company's CG Report outlines any departures from the MCCG practices, along with explanations for those deviations. For detailed information regarding the departures and their justifications, please refer to the Company's CG Report FYE 2024.

The Board is dedicated to upholding the highest standards of corporate governance by continually adopting the principles and best practices outlined in the MCCG, along with other relevant laws and regulations, where appropriate.

This CG Statement was reviewed and approved by the Board on 15 January 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Rule 15.26(b) of the AMLR, the Board is pleased to present the following Statement on Risk Management and Internal Control, which illustrates the nature and scope of the Group's risk management and internal control system implemented during FYE 2024. This statement is prepared in line with Principal B of the MCCG and is guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorse published by Bursa Securities.

BOARD RESPONSIBILITIES

The Board acknowledges that an effective risk management and internal control system is essential for the Group's long-term success. In this regard, the Board is committed to maintain a sound and effective risk management and internal control system to safeguard shareholders' investments, protect stakeholders' interests and the Group's assets.

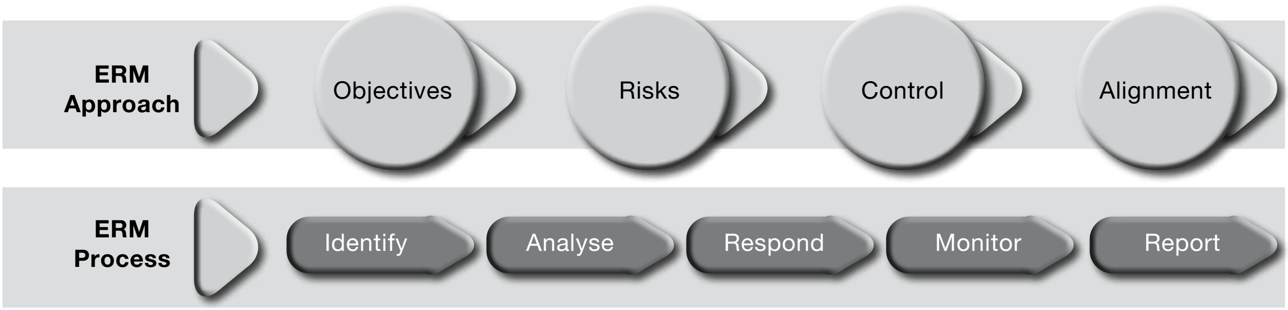
While the Board holds ultimate responsibility for the Group's risk management and internal control systems, the ARMC is assigned with a key oversight role, to assess, review and recommend improvement measures to the Group. Nevertheless, given the inherent limitations of any risk management and internal control framework, the said system is designed to manage the Group's risks to an acceptable level rather than to eliminate the risk of failure, in order to pursue the Group's business objectives. As a result, the system provides reasonable but not absolute assurance against material financial misstatements, losses, fraud or unforeseen events. Through the ARMC, the Board is kept informed of all significant financial or non-financial issues highlighted by the Management Team, Internal Auditors or External Auditors.

The Board believes that the Group's risk management and internal control system has been operating adequately and effectively during the financial year under review and up to the approval date of this Annual Report, in all material aspects, with regular reviews conducted as needed.

RISK MANAGEMENT SYSTEM

To ensure effective risk management, the Group has implemented an ERM Framework that is integrated into the Group's management process and ongoing business activities.

Under our ERM Framework, the overview of our ERM approach and process as shown below: -



Both the ERM approach and process are closely interrelated, with the ERM approach defines methods for consistent risk management across the Group, while the ERM process outlines the overall steps for identifying and managing risks.

Within the ERM Framework, the Group has adopted the ORCA methodology, including objectives, risks, control and alignment, as the ERM approach. This approach includes: -

- Communicating the objectives and goals that the Group aims to achieve;
- Identifying potential risks that could prevent the achievement of the Group's objectives;
- Developing responses and undertaking control activities to the identified risks; and
- Aligning the Group's objectives, risks and controls at all levels within the organisation.

Statement on Risk Management and Internal Control
(Cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

Under the ERM Framework, the Group has implemented a 5-steps process, namely identification, analysis, response, monitoring and reporting of risks. Within each step of the process, regular and meaningful communication is essential for continuous improvement to ensure an effective risk management. In order to enhance its effectiveness, the ERM Framework incorporates key components such as objective setting, risk assessment and the development of actionable plans for implementation across the Group.

The first step of the ERM process is to identify the potential risks that might impede the achievement of the Group's business objectives. These identified risks are categorised by sources to facilitate the determination of root cause and subsequently to assign responsibility for risk responses.

Once the risks have been identified, the risks are assessed and analysed for the respective likelihood of the risk occurring and its potential impact. To this end, all risks are classified into three (3) risk levels, namely high, medium and low and documented into the Group's Risk Register thereafter, subject to regular review.

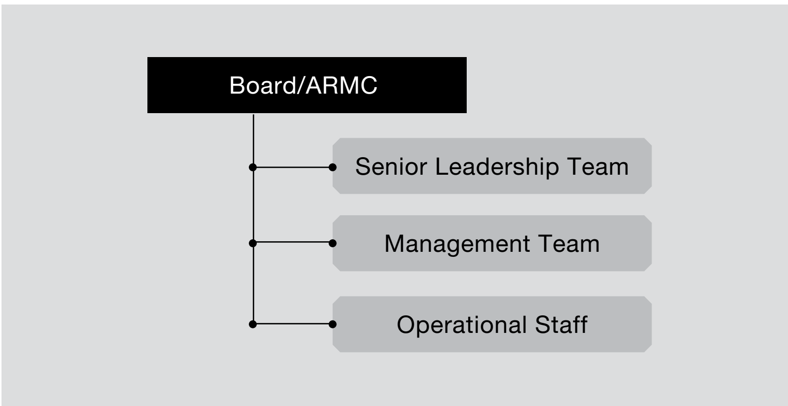
After the analysis of risk, the Group formulates appropriate risk responses and action plans to manage the risks to an acceptable level. Depending on the nature of each risk, the Group may choose to accept, avoid, transfer, mitigate or exploit it, based on whether it is perceived as an opportunity, uncertainty or hazards.

Subsequently, the Group regularly monitors and reviews the risk profile and risk response plans on an on-going basis to ensure they are appropriate, relevant and aligned with the latest business and regulatory developments. The effectiveness and efficiency of the Group's risk responses are assessed continuously. This risk monitoring process involves a combination of regular communication, periodic audits or reviews and evaluations conducted by independent executives at appropriate levels within the Group. Examples of risk monitoring methods include, but are not limited to, periodic or random testing of controls, quality assurance reviews, post-implementation evaluations and performance appraisals.

In Vanzo, everyone is responsible for ERM within their respective areas, the formalisation and implementation of the Group's ERM Policy and Framework are primarily directed by the Board and executed by the Management. All ERM activities are consistently monitored and reported upwards.

Under the guidance of the Board and ARMC, the Senior Leadership Team is responsible for overseeing the Group's risk profile, assigning accountability and ensuring the effectiveness and progress of risk management activities, with regular reporting to the Board and ARMC. Any major incidents or issues are escalated to the Board for further deliberation.

In addition, the Management Team is responsible for periodically reviewing risks and the adequacy of controls within their purview, formulating appropriate control actions, updating the Group's Risk Register and reporting to the Senior Leadership Team as needed. All employees within the Group are required to comply with the Group's ERM Framework when implementing risk management activities and to report any emerging risks to the Management Team, if applicable.



INTERNAL CONTROL SYSTEM

Internal controls are integrated into the Group's daily operations to enhance operational efficiency and uphold strong corporate governance. The internal control system is regularly reviewed and updated to ensure its continued relevance and effectiveness in adapting to changing circumstances.

During FYE 2024, the Group has implemented the following key internal controls: -

(i) Formalisation and adoption of a Board Charter for the Board and Terms of References for Board Committees including ARMC, NC and RC;

(ii) Clearly defined organisational structure with appropriate segregation and delegation of duties, as well as reporting systems to ensure effective checks and balances for proper decision-making and supports a strong governance framework within the Group;

(iii) Formalisation and clear definition of the documentation in the internal SOPs and policies to support the Group's daily operations;

(iv) Formalisation and adoption of several Company policies including the Code and Whistleblowing Policy to promote integrity and ethical behaviours within the Group;

(v) Adoption of Directors' Fit and Proper Policy as well as Gender Diversity Policy to provide the NC with formal objective criteria for evaluating the appointment and re-appointment of Directors; and

(vi) Establishment of SOPs covering various operational areas to ensure consistency and standardisation in internal processes, aligned with the Group's business objectives.

INTERNAL AUDIT FUNCTION

For the FYE 2024, the Company has engaged an independent internal control reviewer, SocialGreen to review the corporate governance practices as well as internal control and risk management systems of the Group prior to its listing on ACE Market of Bursa Securities. Subsequently, the Company has also appointed Eco Asia as the Internal Auditors, in compliance with Rule 15.27 of the AMLR, to provide outsource internal audit services. This engagement facilitates an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control systems, which are reported to the Board and the ARMC.

As at the date of this Annual Report, the Internal Auditors developed and presented a comprehensive internal audit plan for the financial year ending 30 September 2025 ("FYE 2025") to the ARMC. This internal audit plan had outlined the scope of internal audit activities along with their implementation schedule as follows: -

Scope of Review	Timeframe
Kiosk Management Review	Cycle 1 (March 2025)
Warehouse Management and Logistics Review	Cycle 2 (June 2025)

After thorough deliberation, the ARMC approved the plan to ensure alignment with the Group's governance and control objectives.

Subsequently, the Internal Auditors will conduct the internal audit review in accordance with the approved plan. Upon completion of the audit engagement, the Internal Auditors will present the internal audit findings, along with root-cause analysis and recommendation to the ARMC for their perusal and deliberation. The Management will then be responsible for implementing the necessary corrective actions to address identified the internal control weaknesses. Additionally, the Internal Auditors will conduct follow-up reviews on the prior findings to ensure that all recommendations and corrective actions were implemented within the stipulated timeframe.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Rule 15.23 of the AMLR, for inclusion in the Company's Annual Report for the FYE 2024.

Their review was conducted in accordance with 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 Annual Report issued by the MIA. AAPG 3 does not require the External Auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy or effectiveness of the Group's risk management and internal control systems.

Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, 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 to be set out, nor is factually inaccurate.

MANAGEMENT'S ASSURANCE

The Managing Director and Executive Director, representing the Management, have provided reasonable assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material respects. The Board is satisfied that no issues have come to their attention that may render the financial results presented or the information provided to be false or misleading in any material respect.

CONCLUSION

The Board is confident that the current risk management and internal control system in place aligns well with the Group's business objectives, ensuring that the risks taken are within the Group's risk appetite and tolerance levels. As a result, the Group's risk management and internal control system is deemed adequate and sufficient to safeguard shareholders' investments, protect stakeholders' interests and preserve the Group's assets.

The Board acknowledges the need for ongoing enhancement of the Group's risk management and internal control system to adapt to a dynamic business environment. Therefore, the Board and the Management, strives to continuously improve and enhance the Group's risk management and internal control system.

The Statement on Risk Management and Internal Control has been approved by the Board on 15 January 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Pursuant to the Rule 15.15(1) of the AMLR, the Board is pleased to present the following Audit and Risk Management Committee Report which details the insights as to the manner in which the ARMC has discharged their duties and responsibilities during FYE 2024. Since the Company was listed on ACE Market of Bursa Securities on 17 December 2024, there may be gaps in respect of compliance with the applicable AMLR. Our Company will address these gaps to ensure conformity to the applicable AMLR in the forthcoming FYE 2025.

COMPOSITION AND MEETINGS

The ARMC is established with the primary objective to assist the Board in fulfilling its fiduciary responsibilities on the oversight of the integrity of the Group's corporate accounting and financial reporting, internal control system as well as risk management of the Group, and to ensure proper disclosure to the shareholders of the Company.

In accordance with Rule 15.09(1) of the AMLR and Practice 9.4 of the MCCG, the ARMC was appointed by the Board on 16 April 2024, from amongst its members, all of whom are Independent Non-Executive Directors. The current composition of the ARMC, along with the meeting attendance of the respective members during FYE 2024 prior to the listing date of the Group on 17 December 2024, are tabled as follows: -

Designation	Name	Directorship	Meeting Attendance
Chairman	Wong Phait Lee	Independent Non-Executive Director	1/1
Member	Tan Kea Yong*	Independent Non-Executive Director	-
Member	Choo Foong Ling	Independent Non-Executive Director	1/1

* *Mr. Tan Kea Yong was appointed as member of ARMC on 30 April 2024, subsequent to the ARMC Meeting.*

According to Rule 15.09(1)(c) of the AMLR and Practice 9.5 of the MCCG, the ARMC is chaired by Ms. Wong Phait Lee, a member of CPA Australia and a Chartered Accountant with the MIA. Additionally, in accordance with Rule 15.10 of the AMLR and Practice 9.1 of the MCCG, Ms. Wong, as the Chairman of the ARMC, is not the Chairman of the Board. This ensures the integrity and credibility of the Group's financial reporting and audit processes. In addition, the Company also complies with Rule 15.09(2) of the AMLR as there is no alternate Director is appointed as a member of ARMC.

The ARMC held its first meeting on 30 April 2024 during FYE 2024 prior to its listing on 17 December 2024 and subsequently, held 3 ARMC meetings after the FYE 2024 up to the date of this Annual Report ("**Review Period**"). Mr. Wong Liang Tzer, our Managing Director, Mr. Tan Chin Soon, our Executive Director, Mr. Poo Shea Choon, our Chief Financial Officer and Ms. Gan Shy Yin, our Head of Operations, were invited to the ARMC meetings to provide additional information and clarification on operations, financials and audit matters, thereby facilitating the conduct of meeting. Representative from the External Auditors, Internal Auditors and other advisers as well as Key Senior Management, when necessary, were also invited to the ARMC meeting to deliberate on matters within their purview with Company Secretary in attendance.

Meeting agenda and materials were distributed to the ARMC members in accordance to the Terms of Reference of ARMC to ensure that sufficient time is provided for them to peruse the relevant materials in order to facilitate their deliberation and decision-making process in the scheduled meetings. All discussions and decisions made during the ARMC meetings were duly recorded by the Company Secretary. The meeting minutes were then tabled at the following ARMC meetings for confirmation and presented to the Board for notation. These minutes were properly documented and maintained in accordance with applicable regulations and governance practices.

TERMS OF REFERENCE

For the discharge of duties and responsibilities, the ARMC is guided by its Terms of Reference, which outlines its authority, duties and responsibilities as well as meeting proceedings and reporting procedures. The Terms of Reference is available on the Company's website at https://ir2.chartnexus.com/vanzo/corporate-governance.php for public's reference.

Audit and Risk Management Committee Report
(Cont'd)

SUMMARY OF WORK OF THE ARMC

In accordance with the Terms of Reference, the ARMC has carried out the following activities during FYE 2024 and Review Period: -

(A) Financial Reporting

(i) Confirmed that the Group's financial reporting process is in line with the Company's SOPs and that all disclosures are made in compliance with the applicable Malaysian Financial Reporting Standards ("**MFRS**"), Companies Act 2016 and AMLR; and

(ii) Reviewed the Group's unaudited quarterly report on condensed combined interim financial statements and annual audited financial statements, as well as the audit reports and issues arising from the audits with the External Auditors including the announcements pertaining thereto, before recommending the same to the Board for approval and release the Group's unaudited quarterly report to Bursa Securities.

(B) External Audit

(i) Reviewed the Accountant's Report prepared by the External Auditors for the financial year ended 30 September 2021, 2022 and 2023 as well as financial period ended 30 June 2024 of the Group, all of which are incorporated into the Company's prospectus for the listing exercise;

(ii) Reviewed the Working Capital Sufficiency Statement and Proforma Combined Statements of Financial Position for FYE 2024 and FYE 2025 as well as Proforma Combined Statements of Financial Position for the financial period ended 30 June 2024, in relation to the listing exercise;

(iii) Reviewed, discussed and approved the Audit Planning Memorandum, covering the audit approach, materiality levels, areas of audit emphasis, provision of non-audit services, MFRS updates and any other regulating requirements applicable to the Group;

(iv) Reviewed and discussed the draft Key Audit Matters with the External Auditors to ensure that issues that are most significant in the audit are disclosed and to address the issues highlighted by the External Auditors with the Management, if any and determine whether such issues should be addressed in this ARMC Report;

(v) Conducted a private session with External Auditors on 5 December 2024 to discuss any issues arising from audits without the presence of the Executive Directors and Management, where the External Auditors were given the opportunity to raise any issues of concern directly to the ARMC; and

(vi) Conducted annual performance assessment to evaluate the External Auditors, Ecovis Malaysia PLT, taking into consideration their independence, performance, competence, and experience as well as provision of non-audit services and audit fees, and recommended to the Board for re-appointment for FYE 2025. The Board has in turn, recommended the same for shareholders' approval at the forthcoming 1st AGM of the Company.

(C) Internal Audit

(i) Reviewed, assessed and selected the suitably qualified Internal Auditors, after taking into consideration their independence, performance, competence and experience and their resources to ensure the effectiveness of internal audit function. The internal audit function has outsourced to an independent professional services firm which assesses the adequacy and effectiveness of the Group's internal control and risk management system; and

(ii) Reviewed and approved internal audit plan for FYE 2025 presented by the Internal Auditors, which included details such as audit scope, timeline and proposed fees of the internal audit services to ensure adequacy of the scope and sufficient coverage over the activities of the Group.

SUMMARY OF WORK OF THE ARMC (CONT'D)

In accordance with the Terms of Reference, the ARMC has carried out the following activities during FYE 2024 and Review Period: - (Cont'd)

(D) Risk Management and Internal Control

(i) Reviewed and deliberated on the corporate governance, risk management and internal controls review report in relation to the listing exercise, which outlined risk management and internal control weaknesses, root-cause analysis, corresponding recommendations as well as the Management's responses for the implementation of corrective action together with the relevant target timeline and responsible person. Subsequently, ARMC also tabled these reports and highlighted key points to the Board for their attention.

(E) Recurrent Related Party Transaction ("RRPT"), Related Party Transactions ("RPT"), Conflict of Interest ("COI") and/or Potential COI

(i) Reviewed all RPT, COI and/or potential COI situations entered into by the Group in accordance with the Company's Board Charter.

Throughout the Review Period, the ARMC ensured that all the RRPT and RPT were conducted on an arm's length basis and in accordance with normal commercial terms, and no COI and/or potential COI situations arose.

(F) Others

(i) There was no whistleblower reported during FYE 2024 and Review Period; and

(ii) Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Sustainability Statement for inclusion in the Annual Report as well as Corporate Governance Report for release of announcement to Bursa Securities.

INTERNAL AUDIT FUNCTION

The Board is of the view that the internal audit function as an essential part of the Group's governance framework. During FYE 2024, the Company appointed SocialGreen to conduct an internal control review on the adequacy and sufficiency of the Group's corporate governance as well as risk management and internal control system for the preparation for the Company's listing on the ACE Market. The internal control review was led by Ms. Andrea Huong Jia Mei, who is the Director of SocialGreen. Ms. Andrea is a member of the ACCA and a Chartered Accountant with the MIA. During FYE 2024, she was supported by a team of 2 personnel to conduct the internal control review in accordance with the IPPF.

As part of the Group's continuous efforts to enhance its internal control measures, the Group has appointed Eco Asia as outsourced Internal Auditors on 5 December 2024 to carry out the Group's internal audit function. The purpose of the internal audit function is to provide the Board, through the ARMC, reasonable assurance of the effectiveness of the Group's internal control systems. The outsourced Internal Auditors are independent and free of any relationships or conflicts of interest that could compromise their objectivity.

During FYE 2024 and Review Period, the Internal Auditors presented the internal audit plan for the FYE 2025 to the ARMC. Subsequently, the Internal Auditors will conduct the internal audit review in accordance with the approved plan. Upon completion of the audit engagement, the Internal Auditors will present the internal audit report, which will outline the audit findings, areas for improvement, root-cause analysis and proposed recommendations.

In view of the appointment of Internal Auditors on 5 December 2024, which was after the financial year, no internal audit fee was incurred during FYE 2024.

Further details of the internal audit function are provided in the Statement on Risk Management and Internal Control in this Annual Report.

The ARMC Report is made in accordance with the resolution of the Board on 15 January 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Securities on 17 December 2024 in conjunction with its Initial Public Offering ("**IPO**"), where the Company undertook a public issue of 93,351,000 new ordinary shares in the Company at an issue price of RM0.15 per share, raising proceeds of RM14.0 million ("**IPO Proceeds**").

The status of utilisation of proceeds raised from the IPO amounting to RM14.0 million up to 8 January 2025 were as follows:

Purpose of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated timeframe for utilisation from date of Listing
Business expansion and marketing activities	6,600	1,404	5,196	Within 24 months
Repayment of bank borrowings	3,000	3,000	-	Within 6 months
Working capital	703	703	-	Within 12 months
Estimated listing expenses	3,700	3,700	-	Within 3 months
Total	**14,003**	**8,807**	**5,196**	

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors' firm by the Group and the Company for the financial year ended 30 September 2024 are as follows:

	The Company RM	The Group RM
Audit Fees	57,000	194,000
Non-audit Fees*	-	250,000
Total	57,000	444,000

* Non-audit fees comprise professional fees for various report including Accountants' Report pursuant to the Company's listing exercise.

3. MATERIAL CONTRACTS

There was no material contract entered into by the Company and/or its subsidiary involving Directors' and/or major shareholders' interest which were still subsisting as at the end of FYE 2024 or which were entered into since the end of the previous financial year.

4. MATERIAL PROPERTIES

The Group does not own any properties during the Review Period.

5. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

The Group have been entered into the recurrent related party transactions of a revenue or trading nature in the normal course of business. The Company had on 16 December 2024 obtained the approval of Bursa Malaysia Securities Berhad for an extension of time for the Company to seek ratification and a new shareholders' mandate from the shareholders of the Company for the RRPTs entered into by the Group from the listing date of the Company up to the first Annual General Meeting of the Company, which is scheduled to be held on 21 February 2025 ("**1st AGM**") ("**Proposed Ratification and New Shareholders' Mandate**").

The details of the Proposed Ratification and New Shareholders' Mandate are disclosed in the Circular to Shareholders dated 23 January 2025, which includes the name of the related parties and the Company's relationship and the transaction value with the related parties.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016. The Board is responsible for taking reasonable steps to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company and of their results and cash flows for the financial year ended 30 September 2024.

In preparing the financial statements of the Group and the Company for the financial year ended 30 September 2024, the Board has:

- adopted suitable accounting policies and applied them consistently;
- where applicable, made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been followed; and
- prepared the annual financial statements on a going concern basis.

The Directors have ensured that the Group and Company keep proper accounting and other records that will disclose with reasonable accuracy at any time the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 2016 and the applicable approved accounting standards.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

This Statement was approved by the Board of Directors on 15 January 2025.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year/period ended 30 September 2024.

Principal activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary are set out in Note 31 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial period.

Conversion of Company status

On 13 June 2024, the Company converted into a public limited company from Vanzo Holdings Sdn. Bhd. to Vanzo Holdings Berhad.

Results

	Group RM	Company RM
Profit/(Loss) for the financial year/period	4,908,025	(167,409)
Attributable to:-		
Owners of the Company	4,908,025	(167,409)

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial year/period were not substantially affected by any item, transaction or event of a material and unusual nature.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

Dividends

No dividend has been paid or declared by the Company since the date of incorporation. The Directors do not recommend any final dividend in respect of the current financial period.

Directors

The Directors of the Company who served since the date of incorporation up to the date of this report are:

Wong Liang Tzer*	(First Director)
Tan Chin Soon*	(First Director)
Lim Seng Lee	(Appointed on 16 April 2024)
Dato' Keripin Anak Nangkai	(Appointed on 16 April 2024; Resigned on 30 April 2024)
Wong Phait Lee	(Appointed on 16 April 2024)
Choo Foong Ling	(Appointed on 16 April 2024)
Choe Sook Ling	(Appointed on 16 April 2024)
Tan Kea Yong	(Appointed on 30 April 2024)

*Director of the Company and the subsidiary.

Directors' benefits

Since the date of incorporation, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or its related corporations 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.

Neither at the end of the financial period, nor at any time during that financial period, was the Company a party to any arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

Directors' remuneration

Directors' remuneration paid to or receivable by Directors from the Group in respect of the financial year is as follows:

	Group 2024 RM
Directors' remuneration:	
- Salaries and bonus	386,100
- Defined contribution plan	41,988
- Social contribution plan	2,080
- Employment insurance system	237
	430,405

Directors' interest in shares

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), none of the Directors in office at the end of the financial period had any interest in shares of the Company and of its related corporations during the financial period, except as follows:

	Number of ordinary shares			
	At date of incorporation	**Bought**	**Sold**	**At 30.09.2024**
Interest in the Company:				
Direct interest:				
Wong Liang Tzer	50	-	-	50
Tan Chin Soon	50	-	-	50

Issue of shares and debentures

At the date of incorporation, the Company issued 100 ordinary shares at RM0.10 per ordinary share to its new shareholders for a total consideration of RM10.

There were no issue of debentures by the Company during the financial period.

Options granted over unissued shares

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

Other statutory information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairments for doubtful debts and satisfied themselves that there are no known bad debts and that adequate impairments had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(i) which would render writing off bad debts necessary or the amount of the impairment for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in the report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading; and

(iv) 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.

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year/period which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year/period.

In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year/period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) there has not arisen in the interval between the end of the financial year/period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year/period in which this report is made.

Significant events subsequently to the end of the financial period

Details of significant events subsequent to the end of the financial period are disclosed in Note 31 to the financial statements.

DIRECTORS' REPORT
(Cont'd)

Indemnity and insurance for Directors, officers and auditors

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial period/year.

Auditors

The auditors, ECOVIS Malaysia PLT, have expressed their willingness to continue in office.

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

	Group RM	**Company RM**
Auditors' remuneration:		
- Statutory audit	123,000	55,000
- Non-statutory audit	71,000	2,000
	194,000	57,000

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

____
Wong Liang Tzer
Director

____
Tan Chin Soon
Director

15 January 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM
Assets				
Non-current assets				
Property, plant and equipment	5	7,220,396	7,233,391	-
Intangible assets	6	89,443	95,413	-
Other investment	7	95,196	95,196	-
Deferred tax assets	8	125,320	12,828	-
		7,530,355	7,436,828	-
Current assets				
Inventories	9	6,332,117	6,047,972	-
Trade receivables	10	7,338,150	6,606,111	-
Other receivables, deposits and prepayments	11	3,850,707	2,157,222	-
Fixed deposits with licensed banks		314,886	529,674	-
Cash and bank balances		1,625,518	1,495,588	10
		19,461,378	16,836,567	10
Total assets		26,991,733	24,273,395	10
Equity				
Share capital/Invested equity	12	500,010	500,000	10
Retained earnings/(Accumulated loss)	13	12,656,327	8,648,302	(167,409)
Total equity/(Shareholders' deficit)		13,156,337	9,148,302	(167,399)
Non-current liabilities				
Bank borrowings	14	1,155,079	1,920,403	-
Lease liabilities	15	2,127,432	3,502,174	-
Deferred tax liabilities	8	112,000	45,000	-
		3,394,511	5,467,577	-
Current liabilities				
Trade payables	16	1,634,510	42,916	-
Other payables, accruals and deposits received	17	1,264,151	1,246,785	167,409
Bank borrowings	14	5,505,643	6,377,154	-
Lease liabilities	15	1,442,695	1,608,454	-
Current tax liabilities		593,886	382,207	-
		10,440,885	9,657,516	167,409
Total liabilities		13,835,396	15,125,093	167,409
Total equity and liabilities		26,991,733	24,273,395	10

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 SEPTEMBER 2024

	Note	Group 01.10.2023 to 30.09.2024 RM	Group 01.10.2022 to 30.09.2023 RM	Company 29.12.2023 to 30.09.2024 RM
Revenue	18	49,949,191	40,854,920	-
Cost of sales		(25,169,971)	(21,785,047)	-
Gross profit		24,779,220	19,069,873	-
Other income		58,743	124,493	-
Administrative expenses		(6,951,165)	(3,943,841)	(167,409)
Selling and distribution expenses		(10,211,889)	(7,698,603)	-
Other operating expenses		(89,773)	(78,481)	-
Profit/(Loss) from operations		7,585,136	7,473,441	(167,409)
Finance costs	19	(710,255)	(613,945)	-
Profit/(Loss) before tax	20	6,874,881	6,859,496	(167,409)
Tax expense	21	(1,966,856)	(1,763,813)	-
Net profit/(loss)/Total comprehensive income/(loss) for the financial year/period		4,908,025	5,095,683	(167,409)
Profit/(Loss) for the financial year/period attributable to:				
Owners of the Company		4,908,025	5,095,683	(167,409)
Total comprehensive income/(loss) for the financial year/period attributable to:				
Owners of the Company		4,908,025	5,095,683	(167,409)
Basic earning per share attributable to owners of the Company (sen per share)	25	1.05	1.09	

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 SEPTEMBER 2024

	Note	Share capital RM	Retained earnings RM	Total RM
Group				
At 1 October 2022		500,000	6,752,619	7,252,619
Net profit/Total comprehensive income for the financial year		-	5,095,683	5,095,683
Dividends	22	-	(3,200,000)	(3,200,000)
At 30 September 2023/1 October 2023		500,000	8,648,302	9,148,302
Issuance of shares	12	10	-	10
Net profit/Total comprehensive income for the financial year		-	4,908,025	4,908,025
Dividends	22	-	(900,000)	(900,000)
At 30 September 2024		500,010	12,656,327	13,156,337

	Share capital RM	Accumlated loss RM	Total RM
Company			
At 29 December 2023 (Date of incorporation)	10	-	10
Net loss/Total comprehensive loss for the financial period	-	(167,409)	(167,409)
At 30 September 2024	10	(167,409)	(167,399)

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 SEPTEMBER 2024

	Note	Group 01.10.2023 to 30.09.2024 RM	Group 01.10.2022 to 30.09.2023 RM	Company 29.12.2023 to 30.09.2024 RM
Cash flows from operating activities				
Profit/(Loss) before tax		6,874,881	6,859,496	(167,409)
Adjustment for:				
Amortisation of intangible assets		8,000	8,233	-
Depreciation of property, plant and equipment		509,927	283,338	-
Depreciation of right-of-use assets		1,448,079	671,303	-
Finance costs		710,255	613,945	-
Net impairment on financial assets		89,773	78,481	-
Gain on disposal of property, plant and equipment		-	(114,741)	-
Gain on lease modification		(39,949)	-	-
Loss on property, plant and equipment written off		314,501	-	-
Interest income		(14,382)	(8,804)	-
Operating profit/(loss) before changes in working capital		9,901,085	8,391,251	(167,409)
Increase in trade and other receivables		(2,600,320)	(2,850,366)	-
Increase in inventories		(284,145)	(2,913,708)	-
Increase in trade and other payables		1,653,983	956,775	167,409
Cash flows generated from operations		8,670,603	3,583,952	-
Interest income received		14,382	8,804	-
Tax paid		(1,800,669)	(1,553,261)	-
Net cash generated from operating activities		6,884,316	2,039,495	-
Cash flows from investing activities				
Addition of intangible assets		(2,030)	(2,650)	-
Purchase of property, plant and equipment	(a)	(2,422,596)	(1,044,604)	-
Proceeds from disposal of property, plant and equipment		-	170,000	-
Net cash used in investing activities		(2,424,626)	(877,254)	-
Cash flows from financing activities				
Proceeds from issuance of shares		-	-	10
Decrease/(increase) in fixed deposit pledged		214,788	(88,564)	-
Drawdown of bank borrowings	(b)	-	3,798,398	-
Repayment of bank borrowings	(b)	(2,310,464)	(534,781)	-
Repayment of lease liabilities	(b)	(1,480,936)	(815,271)	-
Finance costs paid		(566,787)	(539,455)	-
Dividends paid		(860,000)	(3,200,000)	-
Net cash (used in)/genetated from financing activities		(5,003,399)	(1,379,673)	10
Net (decrease)/increase in cash and cash equivalents		(543,709)	(217,432)	10
Cash and cash equivalents at the beginning of the financial year/period		1,495,598	1,713,020	-
Cash and cash equivalents at end of the financial year/period	23	951,889	1,495,588	10

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 SEPTEMBER 2024
(Cont'd)

Notes:

(a) Purchase of property, plant and equipment

The Group made the following cash payment to purchase property, plant and equipment:

	Group 01.10.2023 to 30.09.2024 RM	Group 01.10.2022 to 30.09.2023 RM
Purchase of property, plant and equipment	3,014,696	4,952,303
Less: Amount acquired as lease liabilities	(592,100)	(3,907,699)
Cash payments	2,422,596	1,044,604

(b) Movement in liabilities arising from financing activities:

	At 1 October 2023 RM	Drawdown RM	Cash flows RM	<----------- Non-cash movement -----------> Interest expenses RM	Lease modification RM	New leases RM	At 30 September 2024 RM
Group							
Bank borrowings	8,297,557	-	(2,310,464)	-	-	-	5,987,093
Lease liabilities	5,110,628	190,000	(1,480,936)	143,468	(795,133)	402,100	3,570,127

	At 1 October 2022 RM	Drawdown RM	Cash flows RM	<----------- Non-cash movement -----------> Interest expenses RM	Lease modification RM	New leases RM	At 30 September 2023 RM
Group							
Bank borrowings	5,033,940	3,798,398	(534,781)	-	-	-	8,297,557
Lease liabilities	1,943,710	450,000	(815,271)	74,490	-	3,457,699	5,110,628

The notes to the financial statements form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 SEPTEMBER 2024

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at No. D-09-02, Level 9, Exsim Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, W. P. Kuala Lumpur.

The principal place of business of the Company is located at No. 12, Jalan Tiang U8/92, Seksyen U8, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary are set out in Note 31 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial period.

Vanzo Holdings Sdn. Bhd. was incorporated in Malaysia under the Companies Act 2016 on 29 December 2023 as a private limited company. On 13 June 2024, Vanzo Holdings Sdn. Bhd. converted into a public limited company under the name of Vanzo Holdings Berhad (the “Company”).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 15 January 2025.

2. Basis of preparation

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

The consolidated financial statements for the financial year ended 30 September 2024 comprises the financial statements of the Company and the subsidiary, Vanzo Asia Sdn. Bhd.. The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is the functional currency of the Company.

The Company incurred a net loss of RM167,409 for the financial period ended 30 September 2024 and as at that date, the Company reported net current liabilities and shareholders' deficit of RM167,399 respectively. The Company was incorporated as a special purpose investment holding vehicle to hold the subsidiary pursuant to an internal restructuring. For the purpose of proposed listing on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook a restructuring exercise via the acquisition of the subsidiary, Vanzo Asia Sdn. Bhd..

On 17 December 2024, the Company successfully listed on the ACE Market of Bursa Malaysia Securities Berhad, as disclosed in Note 31 to the financial statements. Consequently, the Directors consider that it is appropriate to prepare the financial statements of the Company on a going concern basis.

The preparation of financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2. Basis of preparation (cont'd)

2.1 MFRS, amendments to MFRS and IC Interpretations that are effective and have been adopted in the current financial period

The following are MFRS, amendments to MFRS and IC Interpretations that are effective and have been adopted by the Group and the Company:

- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'
- Amendment to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules

The adoption of the above MFRS, amendments to MFRS and IC Interpretations did not have any significant effect on the financial statements of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.2 MFRS, amendments to MFRS and IC interpretations that have been issued, but yet to be adopted

The following are MFRS, amendments to MFRS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current Liabilities with Covenants
- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' – Supplier Finance Arrangements

(ii) 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

(iii) Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments.
- Annual improvements to MFRS Accounting Standards – Volume II

(iv) 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'

2. Basis of preparation (cont'd)

2.2 MFRS, amendments to MFRS and IC interpretations that have been issued, but yet to be adopted (cont'd)

The following are MFRS, amendments to MFRS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Company: (cont'd)

(v) Deferred to a date to be determined by the MASB

- 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

The Group and the Company plan to apply the abovementioned MFRS, amendments to MFRS and IC Interpretations, where applicable to the Group and the Company, from the beginning of the financial year/period where they become effective. The initial application of above MFRS, amendments to MFRS and IC Interpretations are not expected to have any material financial impacts to the current year/period financial statements of the Group and of the Company.

3. Material accounting policy information

3.1 Basis of combination

Common control business combination outside the scope of MFRS 3, ' Business Combinations' ("MFRS 3")

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, are outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

The Group is regarded as a continuing entity as mentioned in Note 2 to the financial statements since the management of the Company and the subsidiary which took part were managed by the common shareholders before and immediately after the restructuring exercise in Note 2. Accordingly, the financial information have been prepared on the basis of merger accounting.

In applying merger accounting, financial statement line items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the combined financial statements of the combining entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combining entities. Therefore, the assets, liabilities and equity of the combining entities or businesses are recognised at the carrying amounts in the combined financial statements of the controlling party or parties prior to the common control combination. The carrying amounts are included as if such combined financial statements had been prepared by the controlling party, including adjustments required for conforming to the Company's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the combining entity.

3. Material accounting policy information (cont'd)

3.1 Basis of combination (cont'd)

Common control business combination outside the scope of MFRS 3, ' Business Combinations' ("MFRS 3") (cont'd)

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent changes in equity. Losses in the combining entity are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The combined financial statements were prepared based on the audited financial statements of combining entities which were prepared in accordance with MFRS and IFRS for the purpose of combination. The combining entities maintain their accounting records and prepare the relevant statutory financial statements in accordance with MFRS, IFRS and the requirements of the Act in Malaysia.

The Group resulting from the restructuring exercise as disclosed in Note 2 to the financial statements, is made up by two entities under common control. Accordingly, the combined financial statements have been accounted for using the principles of merger accounting where financial statements line items of the merged entities for the reporting periods in which the common control combination occur are included in the combined financial statements of the Group as if the combination had occurred from the date when the merged entities first came under the control of the same shareholders.

3.2 Basis of consolidation

(i) Investment in subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are measured in the Company's separate financial statements at cost less any impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations') or distribution. The cost of investment includes transaction costs.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6 to the financial statements. On disposal, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

3. Material accounting policy information (cont'd)

3.2 Basis of consolidation (cont'd)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, 'Financial Instruments' ("MFRS 9") is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

(iii) Acquisitions of non-controlling interests

Changes in the Company's ownership interest in a combining entity that do not result in a loss of control are accounted for as equity transactions between the Group and its non-controlling interest holders. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the equity holders of the Company.

(iv) Loss of control

Upon the loss of control of a combining entity, the Group derecognises the assets and liabilities of the former combining entity, any non-controlling interests and the other components of equity related to the former combining entity from the consolidated statements of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former combining entity, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an equity instrument at fair value through other comprehensive income ("FVTOCI") depending on the level of influence retained.

3. Material accounting policy information (cont'd)

3.2 Basis of consolidation (cont'd)

(v) Non-controlling interests

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

Losses applicable to non-controlling interests in a combining entity are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and carrying amount of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

3.3 Foreign currencies

(i) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Group and of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3. Material accounting policy information (cont'd)

3.4 Property plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset begins when it is ready for its intended use. All property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

The annual depreciation rates used to write off the property, plant and equipment over their estimated useful life are as follows:

Computer and software	10% - 20%
Furniture and fittings	10% - 20%
Motor vehicle	10% - 20%
Office equipment	10% - 20%
Renovation	10%
Signboard	10%
Tools and equipment	10% - 33%

The assets' residual value, useful life and depreciation method are reviewed at each financial period end, and adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for recognition and measurement of impairment losses is in accordance with Note 3.6 to the financial statements.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the period the asset is derecognised.

3.5 Intangible assets

Trademark

Trademarks are stated at cost less any accumulated impairment losses.

Trademarks with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial period-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

The estimate useful life of trademarks is 10 years.

Intangible assets with indefinite useful lives or not yet available for use are not amortised but tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3. Material accounting policy information (cont'd)

3.6 Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset (except for inventories and tax recoverable) may be impaired. If any such indication exists, the Group and the Company makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial period in which the reversal is recognised.

3. Material accounting policy information (cont'd)

3.7 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. The Group and the Company determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9 are as below:

(a) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

(b) Financial assets measured at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. The Group and the Company does not have any financial assets measured at FVTOCI or FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company does not have any financial assets that are equity instruments.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group and the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

3. Material accounting policy information (cont'd)

3.8 Impairment of financial assets

The Group and the Company assesses at each financial year/period end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occuring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company uses historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expects to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

The Group and the Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company measures the impairment loss on financial assets other than trade receivables based on the two-step approach as follow:

(i) 12-months ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognized as allowance for impairment by the Group and the Company. If, in a subsequent year the significant increase in credit risk since initial recognitions is no longer evident, the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

If in a subsequent year, the credit quality improves and reverses any previously assessed significant increase in credit risk since initial recognition, then the impairment loss reverts from lifetime ECL to 12-months ECL.

For trade receivables, the Group and the Company measures impairment loss based on lifetime ECL at each reporting time until the financial assets are derecognised.

3. Material accounting policy information (cont'd)

3.9 Financial liabilities

(i) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at fair value through profit or loss.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company does not have any financial liabilities at fair value through profit or loss in the current financial year/period.

(iii) Other financial liabilities

The Group and the Company's other financial liabilities consist of payables and borrowings.

Payables and borrowings are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(iv) Derecognition

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

(v) Offsetting

Financial liabilities are offset and net amount presented in the statement of financial position when, only when, the Group and the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liabilities simultaneously.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances, deposits placed with licensed banks which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. Material accounting policy information (cont'd)

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are determined using first-in-first-out method. The cost comprises purchase price and directly attributable costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

3.12 Income taxes

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

(a) Current tax

Taxes payable are determined by each individual entity in the Group and the Company. A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability or asset is measured at the amount the entity expects to pay or recover using tax rates and laws that have been enacted or substantially enacted by the reporting date.

(b) Deferred tax

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Group and the Company treat these as part of initial recognition differences.

Deferred taxes are measured using tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

3. Material accounting policy information (cont'd)

3.13 Share capital

Ordinary shares are classified as equity instruments.

When ordinary shares are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

3.14 Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in it its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company uses observable market data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The Group and the Company recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying assets if they are directly attributable to the acquisition, construction or production of that assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit and loss in the year/period they are incurred. Borrowing costs consists of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3. Material accounting policy information (cont'd)

3.16 Leases

(i) As lessee

The Group and the Company recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group and the Company; and
- an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets or lease term whichever is earlier.

If the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable year/period of the lease, the Group and the Company considers the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and

- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

3. Material accounting policy information (cont'd)

3.16 Leases

(i) As lessee

The Group and the Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Leased properties	12 months to 46 months
Motor vehicles	10% - 20%

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group and the Company's incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) As lessor

Leases where the Group and the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3.17 Revenue and other income

The Group and the Company recognise revenue from contracts with customers based on the five-step model as set out in MFRS 15, 'Revenue from Contracts with Customers':

(i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

3. Material accounting policy information (cont'd)

3.17 Revenue and other income (cont'd)

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligation with customers:

(a) Sales of goods

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

The requirements in MFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group and the Company adjusts revenue and recognises a refund liability instead. Correspondingly, costs of sales is also adjusted and a right of return asset is recognised as the right to recover the goods from the customer.

(b) Interest income

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

3.18 Employee benefits

(a) Short term employee benefits

Wages, salaries and social security contributions and non-monetary benefits are recognised as an expense in the financial period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences sick leave, maternity and paternity leave are recognised when absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

3. Material accounting policy information (cont'd)

3.18 Employee benefits (cont'd)

(b) Defined contribution plans

The Group and the Company makes contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contribution to defined contribution pension schemes is recognised as an expense in the year/period in which the related service is performed.

3.19 Current versus non-current classification

Assets and liabilities in statement of financial position are presented based on current/non-current classification. An asset is current when it is:

(i) Expected to be realised or intended to sold or consumed in normal operating cycle;
(ii) Held primarily for the purpose of trading;
(iii) Expected to be realised within twelve months after the reporting period; or
(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

(i) It is expected to be settled in normal operating cycle;
(ii) It is held primarily for the purpose of trading;
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.20 Earnings per share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the financial year/period, adjusted for own shares held, if any.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.21 Operating segment

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

4. Significant accounting judgements and estimates

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is disclosed below:

(a) Measurement of income taxes

There are certain transactions and computation for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(b) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on the straight-line basis over the asset's useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

(c) Determining the lease term where the Group and the Company acts as a lessee

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group and the Company applies the definition of a contract and determines the period for which the contract is enforceable. The Group and the Company also considers whether the lessee and lessor each has the right to terminate the lease without the permission from the other party with no more than an insignificant penalty, in determining the lease term. In determining a penalty, the Group and the Company assesses monetary and non-monetary considerations.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The determination of the lease term is a significant judgment as it will directly affect the recognition of a lease as a short-term lease or a right-of-use asset with a corresponding lease liability.

(d) Leases – estimating the incremental borrowing rate

The Group and the Company uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

(e) Impairment of trade receivables

The Group and the Company uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group and the Company develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

(f) Classification of non-current bank borrowings

Bank facilities agreements entered into by the Group and the Company include repayment on demand clauses at the discretion of financial institutions. The Group and the Company believes that in the absence of a default being committed by the Group and the Company, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

5. **Property, plant and equipment**

Group	Leased properties RM	Computer and software RM	Furniture and fittings RM	Motor vehicle RM	Office equipment RM	Renovation RM	Signboard RM	Tools and equipment RM	Total RM
Cost									
At 1 October 2022	1,471,980	24,439	132,375	882,306	407,457	825,525	25,864	199,628	3,969,574
Additions	3,457,699	4,876	90,400	655,688	78,447	399,760	-	265,433	4,952,303
Disposals	-	-	-	(284,601)	-	-	-	-	(284,601)
Derecognised	(24,544)	-	-	-	-	-	-	-	(24,544)
At 30 September 2023/ 1 October 2023	4,905,135	29,315	222,775	1,253,393	485,904	1,225,285	25,864	465,061	8,612,732
Additions	402,100	8,000	106,626	193,000	245,007	1,753,785	39,501	266,677	3,014,696
Reclassification	-	-	418,271	-	-	(418,271)	-	-	-
Written off	-	-	-	-	-	(405,545)	-	-	(405,545)
Derecognised	(1,447,436)	-	-	-	-	-	-	-	(1,447,436)
At 30 September 2024	3,859,799	37,315	747,672	1,446,393	730,911	2,155,254	65,365	731,738	9,774,447
Accumulated depreciation									
At 1 October 2022	224,352	4,851	33,605	273,814	78,304	36,880	1,233	25,547	678,586
Charge for the year	542,529	3,508	28,871	128,774	72,302	110,048	2,586	66,023	954,641
Disposals	-	-	-	(229,342)	-	-	-	-	(229,342)
Derecognised	(24,544)	-	-	-	-	-	-	-	(24,544)
At 30 September 2023/ 1 October 2023"	742,337	8,359	62,476	173,246	150,606	146,928	3,819	91,570	1,379,341
Charge for the year	1,297,417	3,619	45,854	150,622	103,950	225,870	5,878	124,796	1,958,006
Reclassification	-	-	89,165	-	-	(89,165)	-	-	-
Written off	-	-	-	-	-	(91,044)	-	-	(91,044)
Derecognised	(692,252)	-	-	-	-	-	-	-	(692,252)
Ar 30 September 2024	1,347,502	11,978	197,495	323,868	254,556	192,589	9,697	216,366	2,554,051
Net carrying amounts									
At 30 September 2024	2,512,297	25,337	550,177	1,122,525	476,355	1,962,665	55,668	515,372	7,220,396
At 30 September 2023	4,162,798	20,956	160,299	1,080,147	335,298	1,078,357	22,045	373,491	7,233,391

5. Property, plant and equipment (cont'd)

(a) Right-of-use assets

The carrying amount of right-of-use assets included under property, plant and equipment are as follows:

Group	Leased properties RM	Motor vehicle RM	Total RM
Cost			
At 1 October 2022	1,471,980	882,306	2,354,286
Additions	3,457,699	655,688	4,113,387
Disposals	-	(284,601)	(284,601)
Derecognised	(24,544)	-	(24,544)
At 30 September 2023/1 October 2023	4,905,135	1,253,393	6,158,528
Additions	402,100	193,000	595,100
Derecognised	(1,447,436)	-	(1,447,436)
At 30 September 2024	3,859,799	1,446,393	5,306,192
Accumulated depreciation			
At 1 October 2022	224,352	273,814	498,166
Charge for the year	542,529	128,774	671,303
Disposals	-	(229,342)	(229,342)
Derecognised	(24,544)	-	(24,544)
At 30 September 2023/1 October 2023	742,337	173,246	915,583
Charge for the year	1,297,417	150,662	1,448,079
Derecognised	(692,252)	-	(692,252)
At 30 September 2024	1,347,502	323,908	1,671,410
Net carrying amounts			
At 30 September 2024	2,512,297	1,122,485	3,634,782
At 30 September 2023	4,162,798	1,080,147	5,242,945

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and lease liability.

The leased properties represent operating lease agreements entered into by the Group for the use of kiosk, factory and office. The lease is for an initial lease for 12 months to 36 months with option to renew for another 12 months to 36 months. The Company also has motor vehicle with lease term of 60 months to 108 months.

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

5. Property, plant and equipment (cont'd)

(a) Right-of-use assets (cont'd)

The carrying amount of right-of-use assets of the Group are acquired under lease arrangement as disclosed in Note 15 to the financial statements.

(b) Included in property, plant and equipments of the Group are the following fully depreciated property, plant and equipments, which still in use:

	Group 2024 RM	Group 2023 RM
Computer and software	4,400	1,600
Furniture and fitings	15,407	-
Office equipment	23,093	11,534
	42,900	13,134

6. Intangible assets

	Trademark Group 2024 RM	Trademark Group 2023 RM
Cost		
At 1 October	120,726	118,076
Addition during the year	2,030	2,650
At 30 September	122,756	120,726
Accumulated amortisation		
At 1 October	25,313	17,080
Amortisation charge during the year	8,000	8,233
At 30 September	33,313	25,313
Net carrying amounts		
At 30 September	89,443	95,413

7. Other investment

	Group	
	2024 RM	2023 RM
Non-current		
Financial asset at amortised cost	95,196	95,196

The financial asset represents the insurance policy as a security to the bank borrowings as disclosed in Note 14 to the financial statement. The financial asset carries in effective interest rate at 2.95% (2023: 2.95%) per annum and to be receive after six years.

8. Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax related to the same tax authority.

	Group	
	2024 RM	2023 RM
Deferred tax assets	125,320	12,828
Deferred tax liabilities	(112,000)	(45,000)
	13,320	(32,172)

	Group	
	2024 RM	2023 RM
Deferred tax assets:		
Impairment loss on trade receivables	58,106	-
Leases	27,050	12,828
Provisions	40,164	-
Total deferred tax assets	125,320	12,828
Deferred tax liabilities:		
Property, plant and equipment	112,000	45,000
Total deferred tax liabilities	112,000	45,000

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

8. Deferred tax assets and liabilities (cont'd)

The components and movement of the Group's deferred tax assets and liabilities are as follows:

	Note	Impairment loss on trade receivables RM	Leases RM	Provisions RM	Property, plant and equipment RM	Total RM
Group						
At 1 October 2022		-	4,864	-	(7,183)	(2,319)
Credited/(charged) to profit or loss:						
- Origination and reversal of termporary differences		-	7,964	-	(37,817)	(29,853)
At 30 September 2023/ 1 October 2023		-	12,828	-	(45,000)	(32,172)
Credited/(charged) to profit and loss:						
- Origination and reversal of temporary differences	21	58,106	14,222	40,164	(67,000)	45,492
At 30 September 2024		58,106	27,050	40,164	(112,000)	13,320

9. Inventories

	Note	Group 2024 RM	Group 2023 RM
At cost:			
Finished goods		4,770,841	4,490,983
Consignment stock	(a)	1,391,226	1,424,989
Right to recover returned goods		170,050	132,000
		6,332,117	6,047,972
Recognised in profit or loss:			
Inventories recognised as cost of sales		20,597,406	17,306,264

(a) Right to recover returned goods

A right to recover goods from customer on settling the refund liability is recognised as an asset and included as part of inventories for the goods expected to be returned.

These are measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those inventories and any potential decreases in the value to the Group of the returned inventories.

10. Trade receivables

	Group	
	2024 RM	2023 RM
Trade receivables	7,580,259	6,758,447
Less: Accumulated impairment losses	(242,109)	(152,336)
	7,338,150	6,606,111

Movement in impairment of trade receivables

	Group	
	2024 RM	2023 RM
At 1 October	152,336	73,855
Impairment losses:		
- Expected credit loss	27,217	61,571
- Specific allowances	73,586	20,380
Reversal of impairment of trade receivables	(11,030)	(3,470)
At 30 September	242,109	152,336

Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 30 days to 90 days (2023: 30 days to 90 days).

They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Other credit terms are assessed and approval on a case-by-case basis.

11. Other receivables, deposits and prepayments

	Group	
	2024 RM	2023 RM
Other receivables	248,293	204,944
Deposits	485,151	487,858
Prepayments	3,117,263	1,464,420
	3,850,707	2,157,222
Total other receivables, deposits and prepayments	3,850,707	2,157,222
Less: Prepayments	(3,117,263)	(1,464,420)
Total other receivables and deposits at amortised cost	733,444	692,802

Included in other receivables is an amount of RM5,933 (2023: RM Nil) owing by the Company in which the Directors of the Company have interests. This amount is unsecured, interest-free and repayable on demand in cash and cash equivalents.

12. Share capital/Invested equity

	Group		Group		Company	
	2024 No. of shares	2024 RM	2023 No. of shares	2023 RM	2024 No. of shares	2024 RM
Issued and fully paid:						
At 1 October	500,000	500,000	500,000	500,000	-	-
Issuance of shares	100	10	-	-	100	10
At 30 September	500,100	500,010	500,000	500,000	100	10

The share capital/invested equity for the financial year ended 30 September 2023 of the Group represented the ordinary shares of Vanzo Asia Sdn. Bhd. only as the Company was incorporated on 29 December 2023.

On 29 December 2023, the Company issued 100 ordinary shares at RM0.10 per ordinary share to its new shareholders for a total consideration of RM10.

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. All ordinary shares rank equally with regard to the Company's residual assets.

13. Retained earnings

The Company's policy is to treat all gains and losses in statement of comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained earnings, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders.

The retained earnings of the Company is available for distributions by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences to the Company that would result from the payment of dividends to shareholders. The dividends would not be taxable in the hands of the shareholders.

14. Bank borrowings

	Group 2024 RM	Group 2023 RM
Secured:		
Current:		
Bank overdraft	673,629	-
Banker acceptance I	4,353,355	5,093,547
Banker acceptance II	-	745,000
Term loan I	74,410	70,075
Term loan II	-	70,527
Term loan III	52,885	70,431
Term loan IV	93,716	79,043
Term loan V	160,000	160,000
Term loan VI	97,648	88,531
	5,505,643	6,377,154
Non-current:		
Term loan I	146,208	207,561
Term loan II	-	246,126
Term loan III	-	52,898
Term loan IV	181,149	287,095
Term loan V	359,993	559,993
Term loan VI	467,729	566,730
	1,155,079	1,920,403
Total borrowings	6,660,722	8,297,557
Maturities of borrowings:		
Within 1 year	5,505,643	6,377,154
More than 1 year and less than 2 years	456,401	554,834
More than 2 years and less than 5 years	698,678	1,252,340
More than 5 years	-	113,229
	6,660,722	8,297,557

The above bank borrowings which are obtained from bank institutions are secured as follow:-

Term loan I

(i) As principal instrument, a facility agreement for RM388,000;
(ii) Joint and several guarantee by Ng Yee Heng and one of Directors of the Company, Wong Liang Tzer; *
(iii) Against 70% guarantee by Government of Malaysia (GOM) under Working Capital Guarantee Scheme);
(iv) Personal Smart Shield Plus for the sum insured of RM388,000 to cover the life of the Directors or guarantor for a period of 7 years; and
(v) Personal guarantee of Tan Chin Soon for RM388,000. *

The term loan is repayable by 84 months. Term loan interest is charged at 7.35% (2023: 7.35%) and is subject to change from according to bank's Base Lending Rate ("BLR").

14. Bank borrowings (cont'd)

The above bank borrowings which are obtained from bank institutions are secured as follow:- (cont'd)

Term loan II

(i) As principal instrument, a facility agreement for RM500,000;
(ii) Joint and several guarantee by Ng Yee Heng and one of the Directors of the Company, Wong Loang Tzer; *
(iii) Personal guarantee of Tan Chin Soon; and *
(iv) Against 70% guarantee by Credit Guarantee Corporation Malaysia Berhad for RM350,000.

The term loan is repayable by 84 months. Term loan interest is charged at 2.50% (2023: 2.50%) above the Base Financing Rate ("BFR") per annum.

The above term loan II had fully settled on May 2024.

Term loan III

(i) As principal instrument, a facility agreement for RM300,000 together with profit, commission and all other bank charges duly executed and stamped;
(ii) Joint and several guarantee by Ng Yee Heng and Teh Twan Yen; and #
(iii) Credit Guarantee Corporation Malaysia Berhad guarantee under Portfolio Guarantee Scheme of up to RM210,000 being 70% of the principal limit of the facility.

The term loan is repayable by 60 months. Term loan interest bear effective profit rates at 8.00% (2023: 8.00%) above the Base Financing Rate ("BFR") per annum.

Term loan IV

(i) As principal instrument, a facility agreement for RM500,000;
(ii) Joint and several guarantee by Ng Yee Heng, Lim Chee Lip and the Directors of the Company, Wong Liang Tzer and Tan Chin Soon; and *
(iii) Against 70% guarantee by Credit Guarantee Corporation Malaysia Berhad for RM350,000.

The term loan is repayable by 60 months. Term loan interest is charged at 5.00% (2023: 5.00%) above the Base Lending Rate ("BLR") per annum or flat 15% whichever is higher.

Term loan V

(i) As principal instrument, a facility agreement for RM1,000,000;
(ii) Guarantee by the Directors of the Company, Wong Liang Tzer and Tan Chin Soon; and *
(iii) Against 70% guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") for RM700,000. *

The term loan is repayable by 60 months. Term loan interest is charged at 4.00% (2023: 4.00%) per annum.

Term loan VI and bank overdraft

(i) As principal instrument, a facility agreement for RM1,500,000;
(ii) Joint and several guarantee by Ng Yee Heng and the Directors of the Company, Tan Chin Soon and Wong Liang Tzer; *
(iii) Against 70% guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") for RM1,050,000; and
(iv) Fixed deposits with licensed bank as disclosed in Note 23 to the financial statement and profits earned to be capitalised to principal.

The term loan is repayable by 84 months. Term loan interest and bank overdraft interest are charged at 3.00% (2023: 3.00%) above the Base Lending Rate ("BLR") per annum.

14. Bank borrowings (cont'd)

The above bank borrowings which are obtained from bank institutions are secured as follow:- (cont'd)

Banker acceptance I

(i) Joint and several guarantee by Ng Yee Heng, Lim Chee Lip and the Directors of the Company, Wong Liang Tzer and Tan Chin Soon; and *
(ii) Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") for RM800,000 under the Working Capital Guarantee Scheme-I.

Banker acceptance II

(i) Joint and several guarantee by Ng Yee Heng and one of the Directors of the Company, Wong Liang Tzer; *
(ii) Personal guarantee of Tan Chin Soon for RM1,000,000; *
(iii) Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") under the Working Capital Guarantee Scheme-I; and
(iv) Fixed deposits with licensed banks as disclosed in Note 23 to the financial statement.

The above banker acceptance II had fully settled on May 2024.

The banker acceptance interest rate is charged at 5.24% to 10.15% (2023: 5.14% to 9.65%) per annum

* The guarantee will be discharged and execution of new Corporate Guarantee by the Company upon successful listing on the ACE Market of Bursa Securities Malaysia Berhad.

The guarantee had been discharged on 5 March 2024.

15. Lease liabilities

	Group	
	2024 RM	**2023 RM**
At 1 October	5,110,628	1,943,710
New lease liabilities in the financial year	592,100	3,907,699
Finance lease interest	191,779	109,500
Less: lease payments	(1,529,247)	(850,281)
Less: derecognised	(795,133)	-
At 30 September	3,570,127	5,110,628
Future lease payments payables:		
- Not later than one year	1,581,403	1,817,122
- More than one year to five years	2,056,236	3,460,193
- More than five years	212,909	269,365
Total future minimum lease payments	3,850,548	5,546,680
Less: Future finance charges	(280,421)	(436,052)
Present value of minimum lease payments	3,570,127	5,110,628
Payments due within 12 months, present as current	(1,442,695)	(1,608,454)
Non-current portion of lease liabilities	2,127,432	3,502,174

15. Lease liabilities (cont'd)

	Group	
	2024 RM	2023 RM
Present value of lease liabilities		
- Not later than one year	1,442,695	1,608,454
- More than one year to five years	1,924,213	3,243,282
- More than five years	203,219	258,892
	3,570,127	5,110,628

The lease liabilities of the Group at the end of the reporting period bore effective interest rate range from 2.20% to 5.20% (2023: 2.20% to 5.80%) per annum.

	Group	
	01.10.2023 to 30.09.2024 RM	01.10.2022 to 30.09.2023 RM
Included in net cash from operating activities		
Payment relating to short-term leases	261,280	141,682
Payment relating to low value assets	3,790	3,744
Included in net cash from financing activities		
Payment of lease liabilities	1,337,468	740,781
Interest paid in relation to lease liabilities	191,779	109,500
	1,794,317	995,707

Included in an amount of RM427,109 (2023: RM300,098) of lease arrangement of motor vehicle is guaranteed by Ng Yee Heng and the Directors of the Company, Tan Chin Soon and Wong Liang Tzer.

Conditional discharge above guarantees are subject to successful listing on the ACE Market of Bursa Malaysia Securities Berhad.

16. Trade payables

Trade payables are non-interest bearing and the Group's normal credit terms ranges from 30 days to 60 days (2023: 30 days to 60 days).

17. Other payables, accruals and deposits received

		Group		Company
	Note	2024 RM	2023 RM	2024 RM
Other payables		75,529	8,347	167,409
Deposits received		15,346	15,338	-
Accruals		835,876	983,100	-
Refund liabilities	(a)	337,400	240,000	-
		1,264,151	1,246,785	167,409

(a) Refund liabilities

Refund liabilities are the obligations to refund some or all of the consideration received from the customers and are measured at the amount the Group ultimately expects it will have to return to the customers.

18. Revenue

The Group derives revenue from local sales as follows:

	Group	
	01.10.2023 to 30.09.2024 RM	01.10.2022 to 30.09.2023 RM
Sales of goods	49,949,191	40,854,920
Timing of revenue recognition:		
- At a point in time	49,949,191	40,854,920

(a) Performance obligation

The Group is in the business of trading of air fragrance products, indoor fragrance products, personal care products, accessories and others.

The performance obligation is satisfied upon transfer of control of the goods to the customers and payment is generally due within 30 days to 90 days (2023: 30 days to 90 days).

(b) Nature of goods

Nature of goods	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration
Air fragrance products, indoor fragrances products, personal care products, accessories and others.	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period ranging from 30 days to 90 days based on various terms	Trade incentives, discounts, returns and other rebates are granted to customers, subject to certain terms and conditions.

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

19. Finance costs

	Group	
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**
Bank overdraft interest	42,262	14,556
Bankers' acceptance interest	276,329	241,464
Lease liabilities interest	191,779	109,500
Bank borrowings interest	199,885	248,425
	710,255	613,945

20. Profit/(Loss) before tax

	Group		Company
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**	**29.12.2023 to 30.09.2024 RM**
Profit/(Loss) before tax is arrived at after charging/(crediting):			
Amortisation of intangible assets	8,000	8,233	-
Auditors' remuneration:			
- Statutory audit	123,000	56,000	55,000
- Non-statutory audit	71,000	-	2,000
Depreciation of property, plant and equipment	509,927	283,338	-
Depreciation of right-of-use assets	1,448,079	671,303	-
Expense of short-term leases ^	261,280	141,682	-
Expense of low value assets ^	3,790	3,744	-
Loss on property, plant and equipment written off	314,501	-	-
Net impairment on financial assets	89,773	78,481	-
Realised gain on foreign exchange	(2,012)	(948)	-
Staff costs:			
- Salaries, wages, bonuses and allowance	2,909,039	2,209,689	-
- Defined contribution plan	383,940	304,452	-
- Social contribution plan	37,122	29,469	-
- Employment insurance system	4,232	3,367	-
- Other benefits	1,291,877	820,334	-
Gain on disposal of property, plant and equipment	-	(114,741)	-
Gain on lease modification	(39,949)	-	-
Government subsidy	(2,400)	-	-
Interest income	(14,382)	(8,804)	-

^ These amounts represent short-term leases and leases for low value underlying assets under MFRS 16.

The number of employees of the Group and the Company (including Director) at the end of the year/period was 67 (2023: 43) and 7 respectively.

21. Tax expense

	Group	
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**
Income tax		
- Current financial year	2,000,000	1,746,652
- Under/(Over) provision in prior year	12,348	(12,692)
	2,012,348	1,733,960
Deferred tax (Note 8)		
Relating to originating and recognition of temporary differences	(45,492)	29,853
	1,966,856	1,763,813

The Company is not subject to tax as it is in a tax loss position.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**	**29.12.2023 to 30.09.2024 RM**
Profit/(Loss) before tax	6,874,881	6,859,496	(167,409)
Malaysian statutory tax rate of 24%	1,649,971	1,646,279	(40,178)
Non-deductible expenses	496,348	208,300	40,178
Under/(Over) provision of current tax expenses in prior year	12,348	(12,692)	-
Utilisation of capital allowance	(101,319)	(62,927)	-
Differential in tax rate	(45,000)	(45,000)	-
Relating to originating and recognition of temporary differences	(45,492)	29,853	-
Income tax expense for the financial year/period	1,966,856	1,763,813	-

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

22. Dividends

	Group	
	2024	**2023**
	RM	**RM**
Single-tier interim dividend of RM3.40 per ordinary share in respect of the financial year ended 30 September 2022	-	1,700,000
Single-tier interim dividend of RM3.00 per ordinary share in respect of the financial year ended 30 September 2023	-	1,500,000
Single-tier interim dividend of RM1.00 per ordinary share in respect of the financial year ended 30 September 2024	500,000	-
Single-tier interim dividend of RM0.80 per ordinary share in respect of the financial year ended 30 September 2024	400,000	-
	900,000	3,200,000

23. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group		Company
	2024	**2023**	**2024**
	RM	**RM**	**RM**
Cash in hand	14,156	19,839	10
Cash at bank	1,611,362	1,475,749	-
Fixed deposits with licensed banks	314,886	529,674	-
Bank overdraft (Note 14)	(673,629)	-	-
	1,266,775	2,025,262	10
Less: Fixed deposits pledged to licensed banks	(314,886)	(529,674)	-
	951,889	1,495,588	10

The fixed deposits with licensed banks are pledged to banks for bank facilities granted to the Group as disclosed in Note 14 to the financial statements.

The effective interest rate for fixed deposits with licensed banks are range from 1.85% to 2.85% (2023: 1.85% to 3.05%) per annum with maturity period is 12 months (2023: 12 months).

24. Related party disclosures

24.1 Identities of related parties

Parties are considered to be related to the Group if the combining entities have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or influence over the party in making financial and operating decisions, or vice versa, or where combining entities and the party are subject to common control or common significant influence. Related parties could be individual or other entities.

24.2 Related party transactions

Related party transactions have been entered into under terms agreed between the Company and the related parties.

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

	Group	
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**
Purchase of material from:		
- Suppliers controlled by a shareholder	14,146,121	12,932,676

24.3 Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors and key management personnel of the Group during the financial years are as follows:

	Group	
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**
Directors' remuneration:		
- Salaries and bonus	386,100	265,900
- Defined contribution plan	41,988	28,308
- Social contribution plan	2,080	2,080
- Employment insurance system	237	237
	430,405	296,525
Key management personnel's compensation:		
Salaries, wages and bonus	611,200	549,200
Defined contribution plan	72,806	65,904
Social contribution plan	3,120	3,120
Employment insurance system	356	356
	687,482	618,580

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

25. Earnings per share

The basic earnings per share ("EPS") has been calculated by dividing the Group's net profit after tax for the financial years attributable to owners of the Company by the weighted average number of ordinary shares in issue the financial year:

	Group	
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**
Profit for the financial year attributable to owners of the Company (RM)	4,908,025	5,095,683
Weighted average number of ordinary share of the Company (units) *	466,751,100	466,751,100
Baisc earnings per share (sen)	1.05	1.09

* In determining the weighted average number of ordinary shares issued by the Group, the issuance of shares pursuant to group restructuring exercise is treated as if it had been in issue since the beginning of the earliest period presented.

No diluted earnings per share is disclosed in the financial statements as there are no dilutive potential ordinary shares.

26. Financial Instruments

26.1 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 3.7 and Note 3.9 to the financial statements describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments of the Group and of the Company in the statement of financial position by the classes and categories of financial statements to which they are assigned and therefore by the measurement basis, as follows:

	Group		Company
	2024 RM	**2023 RM**	**2024 RM**
Financial assets			
At amortised cost:			
Trade receivables	7,338,150	6,606,111	-
Other receivables, deposits and prepayments^	733,444	692,802	-
Other investment	95,196	95,196	-
Fixed deposits with licensed banks	314,886	529,674	-
Cash and bank balances	1,625,518	1,495,588	10
	10,107,194	9,419,371	10

26. Financial Instruments (CONT'D)

26.1 Classification of financial instruments (Cont'd)

	Group		Company
	2024 RM	**2023 RM**	**2024 RM**
Financial liabilities			
At amortised cost:			
Trade payables	1,634,510	42,916	-
Other payables, accruals and deposits received	1,264,151	1,246,785	167,409
Bank borrowings	6,660,722	8,297,557	-
Lease liabilities	3,570,127	5,110,628	-
	13,129,510	14,697,886	167,409

^ Excluding prepayments

26.2 Net gains/(losses) arising from financial instruments

	Group	
	01.10.2023 to 30.09.2024 RM	**01.10.2022 to 30.09.2023 RM**
Net gains/(losses) arising from:		
Financial assets measured at amortised cost	(89,773)	(78,481)
Financial liabilities measured at amortised cost	2,012	948
	(87,761)	(77,533)

Interest income and interest expense arising from financial instruments are not included in the above net gains and losses.

26.3 Financial risk management objectives and policies

The Group and the Company is exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors review and agree policies and procedure for the management of these risks, which are executed by the Managing Director. The Group and the Company's financial risk management policies are to ensure that adequate financial resources are available for the development of the Group and the Company's operations whilst managing its foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board of Directors.

The following sections provide details regarding the Group and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

26. Financial Instruments (cont'd)

26.3 Financial risk management objectives and policies (cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and the Company exposure to credit risk arises principally from trade and other receivables, fixed deposits with licensed bank and cash and bank balances.

Credit risk is managed by the application of credit approvals, credit limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Company's associations to business partners with high creditworthiness.

The Group and the Company trades only with creditworthy third parties. Customers' credit terms are assessed on case by case basis.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis by the management team.

For other financial assets (including bank balances), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

a. Trade receivables

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

In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

<u>Credit risk concentration profile</u>

The Group's major concentration of credit risk relates to the amount owing by 1 customer (2023: 5 customers) which constituted 32% (2023: 59%) of its trade receivables as at the end of each reporting period.

<u>Exposure to credit risk, credit quality and collateral</u>

Receivable balances are monitored on an ongoing basis. The Group and the Company uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of trade receivables as at the end of the reporting period.

The Group and the Company does not have exposure to international credit risk as the entire trade receivables are concentrated in Malaysia.

26. Financial Instruments (cont'd)

26.3 Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

a. Trade receivables (cont'd)

The information of the Group about the exposure to credit risk and loss allowances for trade receivables calculated under MFRS 9 are as follows:

	Expected loss rate	Gross amount RM	Loss allowance RM	Carrying amount RM
Group				
As at 30 September 2024				
Not past due		5,924,605	-	5,924,605
Past due				
- less than 30 days		556,881	-	556,881
- 31 to 90 days		187,304	-	187,304
- over 90 days	19%	778,618	(109,258)	669,360
		7,447,408	(109,258)	7,338,150
Individually credit impaired		132,851	(132,851)	-
		7,580,259	(242,109)	7,338,150
As at 30 September 2023				
Not past due		4,592,363	-	4,592,363
Past due				
- less than 30 days		573,483	-	573,483
- 31 to 90 days		409,148	-	409,148
- over 90 days	25%	1,113,157	(82,040)	1,031,117
		6,688,151	(82,040)	6,606,111
Individually credit impaired		70,296	(70,296)	-
		6,758,447	(152,336)	6,606,111

26. Financial Instruments (cont'd)

26.3 Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

b. Other receivables

Exposure to credit risk, credit quality and collateral

Other receivables are monitored on an ongoing basis.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of other receivables as at the end of the reporting period.

Ageing analysis of other receivables and impairment losses

The Group and the Company does not maintain ageing analysis for other receivables. Based on past experience, the management determines that no impairment is necessary in respect of other receivables. There had been no allowance for impairment losses on other receivables during the financial year/period and previous financial year.

c. Other financial assets (including fixed deposits with licensed banks and cash and bank balances)

Other financial assets are held with licensed financial institutions. The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount fixed deposits with licensed banks and cash and bank balances in statement of financial position.

Impairment losses

The credit risk for other financial assets is low as those assets are held with reputable licensed financial institutions with high external credit ratings. Consequently, the Group and the Company are of the view that loss allowance is not material hence it is not provided for.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group and the Company's exposure to interest rate risk arises primarily from its floating rate instruments.

26. Financial Instruments (cont'd)

26.3 Financial risk management objectives and policies (cont'd)

(ii) Interest rate risk (cont'd)

The Group's manage the next exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The Management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

The Group and the Company does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change interest rates at the end of the reporting period would not affect profit or loss.

The interest rate profile of the Group significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period were:

	Group	
	2024 RM	**2023 RM**
Fixed rate instruments		
Financial assets		
Fixed deposits with licensed banks	314,886	529,674
Financial liabilities		
Lease liabilities	(3,570,127)	(5,110,628)
	(3,255,241)	(4,580,954)
Floating rate instruments		
Financial liabilities		
Bank borrowings	(6,660,722)	(8,297,557)

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed on fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

The following table details the sensitivity analysis for a reasonably possible change in the interest rates as the end of the reporting period with all other variables held constant on floating rate loans and borrowings of the Group:

	Group	
	2024 Increase (Decrease) RM	**2023 Increase (Decrease) RM**
Effects on profit after tax		
- increase by 100 basis point	39,404	37,232
- decrease by 100 basis point	(39,404)	(37,232)

Notes to the Financial Statements
For the Financial Year/Period Ended 30 September 2024
(Cont'd)

26. Financial Instruments (cont'd)

26.3 Financial risk management objectives and policies (cont'd)

(iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company maintains a level of cash and cash equivalents and loan 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.

The Company's financial liabilities at the end of the reporting period are mature within one year.

Analysis of financial instruments by remaining contractual maturities

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

	Effective interest rate	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within One year RM	One to Five Years RM	Over Five Years RM
Group						
As at 30 September 2024						
Trade payables		1,634,510	1,634,510	1,634,510	-	-
Other payables, accruals and deposits received		1,264,151	1,264,151	1,264,151	-	-
Bank borrowings	4.00% - 15.00%	6,660,722	7,019,666	5,647,872	1,371,794	-
Lease liabilities	2.20% - 5.80%	3,570,127	3,850,548	1,581,403	2,056,236	212,909
		13,129,510	13,768,875	10,127,936	3,428,030	212,909
Group						
As at 30 September 2023						
Trade payables		42,916	42,916	42,916	-	-
Other payables, accruals and deposits received		1,246,785	1,246,785	1,246,785	-	-
Bank borrowings	4.00% - 15.00%	8,297,557	8,912,778	6,584,187	2,210,460	118,131
Lease liabilities	2.20% - 5.80%	5,110,628	5,546,680	1,817,122	3,460,193	269,365
		14,697,886	15,749,159	9,691,010	5,670,653	387,496

26. Financial Instruments (cont'd)

26.3 Financial risk management objectives and policies (cont'd)

(iv) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities with foreign companies, denominated mainly in Singapore Dollar ("SGD"), Brunei Dollar ("BND"), United States Dollar ("USD") and Chinese Yuan ("CNY").

The Group's exposure to foreign currency is as follows:

	SGD RM	BND RM	USD RM	CNY RM	Total RM
Group					
As at 30 September 2024					
Financial assets					
Other receivables	-	17,916	-	-	17,916
Financial liabilities					
Trade payables	-	-	-	1,532,915	1,532,915
Other payables	3,450	-	-	-	3,450
	3,450	-	-	1,532,915	1,536,365
Net exposure	(3,450)	17,916	-	(1,532,915)	(1,518,449)
Group					
As at 30 September 2023					
Financial assets					
Trade receivables	172,529	12,740	-	-	185,269
Other receivables	-	-	71,613	5,778	77,391
	172,529	12,740	71,613	5,778	262,660
Financial liabilities					
Trade payables	-	-	-	6,002	6,002
Net exposure	172,529	12,740	71,613	(224)	256,658

Sensitivity analysis for foreign currency risk

A 10% foreign currency fluctuation of the RM against following currencies at the end of the reporting date would increase/(decrease) in the Group's profit after tax as per below. The analysis assumes that all other variables remain unchanged.

	Group 2024 RM	Group 2023 RM
Effects on profit after tax		
SGD	(262)	13,112
BND	1,362	968
USD	-	5,443
CNY	(116,502)	(17)

26. Financial Instruments (cont'd)

26.4 Fair value of financial instruments

Financial assets and financial liabilities not carried at fair value are disclosed in Note 26.1 to the financial statements. These financial instruments are carried at the amounts approximate of their fair values on the statements of financial position of the Group and the Company due to the relatively short-term maturity of these financial instruments and the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

The Group and the Company does not have any financial instruments carried at fair value as at 30 September 2024 and 30 September 2023.

27. Capital management

The Group and the Company's objectivity when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group and the Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment, return capital to shareholders or issue new shares.

	Group		Company
	2024 RM	2023 RM	2024 RM
Bank borrowings	6,660,722	8,297,557	-
Lease liabilities*	945,123	894,379	-
Trade and other payables	2,898,661	1,289,701	167,409
Less:			
Cash and bank balances	(1,625,508)	(1,495,588)	(10)
Net debt	8,878,998	8,986,049	167,399
Total equity	13,156,337	9,148,302	(167,399)
Capital and net debt	22,035,335	18,134,351	-
Gearing ratio	40%	50%	0%

* Excluded lease liabilities for right-of-use assets arising from rental of properties.

28. Commitment

	Contracted RM	Paid RM	Commitment RM
Group			
As at 30 September 2024			
Contracted but not provided for:			
- Sponsorship and promotional activities expenses	860,000	(328,000)	532,000

29. Segment information

No segmental information is provided as the Group is primarily involved in the air fragrance industry and the Group's activities are predominantly in Malaysia.

Major customers

Revenue from external customers contributed 10% or more to the total revenue recognised are as follows:

	Group	
	01.10.2023 to 30.09.2024 RM	01.10.2022 to 30.09.2023 RM
Customer A	13,536,373	5,685,064

30. Group figures

The Company was incorporated for the purpose of acquiring its subsidiary, Vanzo Asia Sdn. Bhd. The acquisition undertaken by the Company is a restructuring exercise. As the Company was not a business as defined by MFRS 3, the accounting treatment for acquisitions is outside the scope of MFRS 3 and is accounted for as a capital reorganisation as the Group is ultimately controlled by the same party and/or parties both before and after the restructuring exercise.

During the financial period, the Group applied merger method of accounting on a retrospective basis arising from the acquisitions of the entire equity interest of Vanzo Asia Sdn. Bhd. by the Company in business combinations under common control.

The assets and liabilities of the subsidiary are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statements of profit or loss and other comprehensive income reflect the results of subsidiary for the full reporting period (irrespective of then the combination takes place).

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combinations under common control:

(a) Assets and liabilities of Vanzo Asia Sdn. Bhd. are recognised and measured at their pre-business combination carrying amount without restatement to fair value;

(b) Retained earnings of the Group as at 30 September 2023 are those of Vanzo Asia Sdn. Bhd.; and

(c) Invested equity as at 30 September 2023 reflects the share capital of Vanzo Asia Sdn. Bhd. prior to the incorporation of the Company.

31. Significant events subsequently to the end of the financial year

(a) On 12 June 2024, the Company had entered into a conditional share sale agreement with Wong Liang Tzer, Tan Chin Soon, Tang YuQiang and Lim Chee Lip to acquire the entire issued share capital of Vanzo Asia Sdn. Bhd. ("Vanzo Asia") comprising 500,000 ordinary shares for a total purchase consideration of RM9,148,300 based on audited net assets of Vanzo Asia of RM9,148,302 as at 30 September 2023.

The total purchase consideration is to be satisfied via the issuance of 373,400,000 new ordinary shares at an issue price of RM0.0245 per share where Wong Liang Tzer, Tan Chin Soon and Tang YuQiang had nominated Fragrance Century Sdn. Bhd. to receive the shares to be issued to them.

On 4 October 2024, the shares were allotted to Fragrance Century Sdn. Bhd. and Lim Chee Lip. The above transaction was completed and approved by Suruhanjaya Syarikat Malaysia on 11 October 2024.

(b) On 16 October 2024. Vanzo Asia Sdn. Bhd. become subsidiary of the Company and the principal activities of the subsidiary is engaged in the business of design, marketing and sale of air fragrance and fragrance-related products.

(c) In conjunction with the Company's Listing, the Company proposed to undertake the Initial Public Offering ("IPO") at an issue price of RM0.15 per share, comprising:

(i) Public issue of 93,351,000 new ordinary shares in the Company in the following manner:

- 23,338,000 new shares available for application by the Malaysia public;
- 23,338,000 new shares available for application by our eligible directors, employees and person who have contributed to our success; and
- 46,675,000 new shares by way of private placement to selected investors.

(ii) Offer for sale of 46,675,000 existing shares by way of private placement to selected investors

Pursuant thereto, the Company's entire enlarged share capital was listed and quoted on the ACE Market of Bursa Securities on 17 December 2024.

32. Comparative figures

The comparative figure of the Group are presented as if the restructuring exercise has occurred before the start of the earliest period presented.

No comparative figure of the Company for the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows are available as this is the Company's first year of operation.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **Wong Liang Tzer** and **Tan Chin Soon**, being two of the Directors of **Vanzo Holdings Berhad** , state that, in the opinion of the Directors, the accompanying financial statements set out on 65 to 114 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 at 30 September 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year/period then ended.

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

Wong Liang Tzer
Director

Tan Chin Soon
Director

15 January 2025

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **Poo Shea Choon**, being the officer primarily responsible for the financial management of **Vanzo Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 65 to 114 are to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed at Petaling Jaya in the state
of Selangor Darul Ehsan on 15 January 2025

Poo Shea Choon
(MIA membership No: 21001)

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Vanzo Holdings Berhad (Incorporated in Malaysia) Registration No. 202301051922 (1545836-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Vanzo Holdings Berhad** ("the Company"), which comprise the statements of financial position as at 30 September 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 the Company for the financial year/period then ended, and notes to the financial statements, including material accounting policy information, as set out on 65 to 114.

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 September 2024, and their financial performance and cash flows for the financial year/ period then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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 financial year/period. 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.

Group

1. Revenue recognition (Refer to Note 18 to the financial statements)

Total Group revenue recognised for the financial year ended 30 September 2024 was RM49,949,191 (2023: RM40,854,920). Revenue from sales of goods is recognised when a performance obligation is satisfied by transferring control of goods to the customers.

Revenue recognition on constraining estimates of variable consideration required significant judgement in identifying the revenue adjusts to account for goods expected to be returned and recognises a refund liability accordingly. Correspondingly, the cost of sales is adjusted, and a right of return asset is recognised, reflecting the right to recover goods from the customer.

This judgement could materially affect the timing and quantum of revenue, cost of sales, gross profit and net profit recognised during the financial year.

We focused on this area as the estimation of provision of variable consideration are areas involved of significant judgement.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Group (cont'd)

1. Revenue recognition (Refer to Note 18 to the financial statements) (cont'd)

Our audit response:

We performed, among others, the following audit procedures:

- Reviewed the sales return and reperformed management's assessment of provision;
- Recompute on average return period and average sales return rate;
- Projected the potential misstatement (%) for unaccounted sales return on the revenue;
- Reviewed management's estimate of potential sales return and provision for variable consideration; and
- Assessed the appropriateness of revenue and determined compliance with MFRS 15 *Revenue from Contracts with Customers*.

2. Recoverability of trade receivables (Refer to Note 10 to the financial statements)

The Group recorded trade receivables of RM7,338,150, which represents 27% of the Group's total assets as of 30 September 2024.

The Group assessed on a forward-looking basis the expected credit loss ("ECL") associated with its trade receivables using the simplified approach. The impairment assessment involved significant judgements and there is inherent uncertainty in the assumptions applied by the management based on the Group's past history, existing market conditions as well as forward-looking information.

We determined this to be a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to credit risks exposure in assessing the recoverability of trade receivables.

Our audit response:

We performed, among others, the following audit procedures:

- Reviewed ageing reports and reperforming management's assessment of impairment losses using the expected credit loss model;
- Requested and obtained confirmation from selected trade receivables on outstanding balances as at the reporting date;
- Traced subsequent collection and performed alternative procedures to confirm existence and accuracy of trade receivables; and
- Reviewed management's assessment on the ECL of trade receivables with reference to historical payment records and credit history of the Group's customer.

Company

We have determined that there are no key audit matters to be communicated in our report which arose from the audit of the financial statements of the Company.

Independent Auditors' Report
To the Members of Vanzo Holdings Berhad
(Incorporated in Malaysia) Registration No. 202301051922 (1545836-M)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 Directors' Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to date of our auditors' report and the remaining parts of the annual report which expected to be made available after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information 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 other information and, in doing so, consider whether the other information 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 on the other information that we obtained prior to date of our auditors' date, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and take appropriate action in accordance with approved standards on auditing in Malaysia and ISAs.

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 Malaysian Financial Reporting Standards, International Financial Reporting 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 Group and the Company's ability 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 and the Company or to cease operations, or has 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 ISAs 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 basis of these financial statements.

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

(a) 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.

Independent Auditors' Report To the Members of Vanzo Holdings Berhad (Incorporated in Malaysia) Registration No. 202301051922 (1545836-M)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (cont'd)

(b) 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 Group and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) 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 Group and the Company's ability 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.

(e) 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 achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express and 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/period 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

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.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

CHUA KAH CHUN
02696/09/2025 J
Chartered Accountant

Kuala Lumpur
15 January 2025

ANALYSIS OF SHAREHOLDINGS
AS AT 31 DECEMBER 2024

Total Number of Issued Shares	:	466,751,100
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	6	0.226	220	0.000
100 - 1,000	586	22.113	262,700	0.056
1,001 - 10,000	1,129	42.604	6,539,700	1.401
10,001 - 100,000	761	28.717	28,736,000	6.157
100,001 and above	168	6.340	431,212,480	92.386
	2,650	**100.000**	**466,751,100**	**100.000**

SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%
Lim Chee Lip	56,680,000	12.144	300,000[(1)]	0.064
Choe Sook Ling	300,000	0.064	56,680,000[(2)]	12.144
Fragrance Century Sdn. Bhd	252,045,100	54.000	-	-
Wong Liang Tzer	-	-	252,045,100[(3)]	54.000

Notes:-

[(1)] *Deemed interested by virtue of Miss Choe Sook Ling, his spouse's interest pursuant to Section 59(11)(c) of the Companies Act 2016.*

[(2)] *Deemed interested by virtue of Mr. Lim Chee Lip, her spouse's interest pursuant to Section 59(11)(c) of the Companies Act 2016.*

[(3)] *Deemed interested by virtue of his interest held through in Fragrance Century Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDING)

	Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%
Lim Seng Lee	500,000	0.107	-	-
Wong Liang Tzer	-	-	252,045,100[(1)]	54.000
Tan Chin Soon	-	-	-	-
Choe Sook Ling	300,000	0.064	56,680,000[(2)]	12.144
Tan Kea Yong	300,000	0.064	-	-
Wong Phait Lee	300,000	0.064	-	-
Choo Foong Ling	300,000	0.064	-	-

Notes:-

[(1)] *Deemed interested by virtue of his interest held through in Fragrance Century Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

[(2)] *Deemed interested by virtue of Mr. Lim Chee Lip, her spouse's interest pursuant to Section 59(11)(c) of the Companies Act 2016.*

Analysis Of Shareholdings
As At 31 December 2024
(Cont'd)

LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS (BASED ON RECORD OF DEPOSITORS)

No.	Name of Shareholders	Total No. of Shares Held	%
1.	FRAGRANCE CENTURY SDN. BHD.	252,045,100	54.000
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR LIM CHEE LIP*	74,680,000	16.000
3.	NG SEONG PING	13,069,000	2.800
4.	ANN WAN FOOK	9,355,000	2.004
5.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT*	6,255,000	1.340
6.	THAM KIN YIP	4,468,000	0.957
7.	CITIGROUP NOMINEES (ASING) SDN. BHD. *UBS AG*	4,233,500	0.907
8.	LAW WAI CHEONG	3,400,000	0.728
9.	APEX SECURITIES BERHAD *IVT PDR 201 LEONARD CHIN YEN HAW*	3,299,200	0.707
10.	LIM EE YOUNG	2,800,500	0.600
11.	CHONG BAN TUCK	2,400,000	0.514
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR EUGENE THEM MENG FUNG (3023410)*	2,320,000	0.497
13.	SIEW ZHE HAN	2,000,000	0.429
14.	KENANGA INVESTMENT BANK BERHAD *IVT (22708) YONG SIOW CHIN*	1,752,400	0.375
15.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. *TANG MUN LING*	1,500,000	0.321
16.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR CHAN YEN MIN (E-TSA/KTI)*	1,400,000	0.300
17.	LIEW POH TAI	1,300,000	0.279
18.	HLIB NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR LOK BENG SEONG*	1,240,000	0.266
19.	NG CHIN HOE	1,100,000	0.236
20.	THEM YONG KOK	1,047,000	0.224
21.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. *CHUA MENG MIN*	1,000,000	0.214
22.	TEH AN SEE	1,000,000	0.214
23.	WEE CHEE SIANG	1,000,000	0.214
24.	NG POH HWA	938,000	0.201
25.	CARTABAN NOMINEES (TEMPATAN) SDN. BHD. *RHB TRUSTEES BERHAD FOR EAC FUND*	923,900	0.198
26.	TAY KOK LEONG	900,000	0.193
27.	WONG WAI SUM	866,670	0.186
28.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR TAN CHIN AIK (E-BMM)*	750,000	0.161
29.	MICHELLE TAN YEE FEUNG	700,000	0.150
30.	POO SHEA CHOON	700,000	0.150

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First Annual General Meeting ("**1st AGM**") of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities from the online meeting platform at https://www.propollsolutions.com.my (Domain registration number with MYNIC D1A403203) provided by Propoll Solutions Sdn Bhd ("Propoll") in Malaysia via its Propoll online website at https://www.propollsolutions.com.my on Friday, 21 February 2025 at 10:00 a.m. to transact the following businesses: -

A G E N D A

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 September 2024 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1]***

2. To approve the payment of Non-Executive Directors' Fees for an amount of up to RM328,000.00 payable to the Non-Executive Directors on a monthly basis for the period from 1 October 2024 until the next Annual General Meeting of the Company to be held in year 2026, in such proportions and manner as the Directors may determine as follows: ***[Please refer to Explanatory Note 2]*** ***[Ordinary Resolution 1]***

No	Type of Director	Non-Executive Directors' Fee of the Company (RM)
1	Chairman of the Board	80,000.00
2	Independent Non-Executive Directors	192,000.00
3	Non-Independent Non-Executive Directors	56,000.00
	Total	328,000.00

AND THAT to approve the Non-Executive Directors' Benefits (excluding Directors' Fees) for an amount of up to RM22,500.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 1 October 2024 until the next Annual General Meeting of the Company to be held in year 2026, in such proportions and manner as the Directors may determine as follows:-

No	Type of Director	Non-Executive Directors' Benefits of the Company (RM)
1	Chairman of the Board	4,500.00
2	Independent Non-Executive Directors	13,500.00
3	Non-Independent Non-Executive Directors	4,500.00
	Total	22,500.00

3. To re-elect the following Directors who retire pursuant to Clause 84.1 of the Company's Constitution and being eligible, have offered themselves for re-election: - ***[Please refer to Explanatory Note 3]***

   (i) Mr. Lim Seng Lee ***[Ordinary Resolution 2]***
   (ii) Mr. Wong Liang Tzer ***[Ordinary Resolution 3]***
   (iii) Mr. Tan Chin Soon ***[Ordinary Resolution 4]***
   (iv) Ms. Choe Sook Ling ***[Ordinary Resolution 5]***
   (v) Mr. Tan Kea Yong ***[Ordinary Resolution 6]***
   (vi) Ms. Wong Phait Lee ***[Ordinary Resolution 7]***
   (vii) Ms. Choo Foong Ling ***[Ordinary Resolution 8]***

4. To re-appoint Messrs. Ecovis Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***[Ordinary Resolution 9]***

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:-

5. **ORDINARY RESOLUTION**
   - **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

[Please refer to Explanatory Note 4]
[Ordinary Resolution 10]

"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and approvals of the relevant government and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("**New Shares**") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being ("**Proposed General Mandate**");

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with Rule 7.08 of the Listing Requirements and the Company's Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company;

THAT such approval on the Proposed General Mandate shall continue to be in force until: -

a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;
b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation for such New Shares on Bursa Securities;

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities;

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

6. **ORDINARY RESOLUTION** ***[Please refer to Explanatory Note 5]***
   - PROPOSED SHAREHOLDERS' RATIFICATION AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RATIFICATION AND NEW MANDATE FOR RRPT") ***[Ordinary Resolution 11]***

   "**THAT** authority be and is hereby given in line with Rule 10.09 of the ACE Market Listing Requirements of Bursa Securities for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of the Recurrent Related Party Transactions, particulars of which are set out in Circular to Shareholders dated 23 January 2025, with the Related Parties as described in the said Circular, provided that such transactions are of revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries within the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms which are generally available to the public and are not detrimental to the minority shareholders of the Company ("**Proposed RRPT Mandate**");

   THAT such authority shall commence immediately upon passing of this Resolution and continue to be in force until:

   a) the conclusion of the next Annual General Meeting ("**AGM**"), unless the authority is renewed by a resolution passed at the next AGM; or
   b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
   c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

   whichever is the earlier.

   AND THAT all Recurrent Related Party Transactions entered into by the Related Parties prior to this Resolution particulars which are set out in the Circular to Shareholders dated 23 January 2025 be and are hereby approved, confirmed and ratified;

   AND FURTHER, THAT the Board of Directors be and is hereby authorised to do all acts, deeds and things as may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed RRPT Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed RRPT Mandate in the best interest of the Company."

7. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)
LIM JIA HUEY (SSM PC No. 201908000929) (MAICSA 7073258)
Company Secretaries

Kuala Lumpur
Dated: 23 January 2025

Explanatory Notes on Ordinary and Special Businesses: -

1. **Item 1 of the Agenda**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("**Act**") does not requires a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. **Item 2 of the Agenda**

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of a Director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company is seeking the shareholders' approval for the payment of Non-Executive Directors' Fees and Non-Executive Directors' Benefits for an amount of up to RM328,000.00 and RM22,500.00 meeting allowance respectively, payable to the Non-Executive Directors of the Company on a monthly basis for the period from 1 October 2024 until the next Annual General Meeting of the Company to be held in year 2026 under Ordinary Resolution 1.

In determining the total estimated amount of the Directors' Fees, the Board has considered the number of scheduled and special meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in the meeting, while the benefits payable to the Directors comprising of meeting allowances based on actual attendance of meetings by the Directors. The payment of benefits to the Directors will be made by the Company on a monthly basis and/or as and when incurred.

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors' Fees and Benefits to the Non-Executive Directors on a monthly basis, for the period from 1 October 2024 and up to the date of the next AGM to be held in year 2026. Ordinary Resolution 1 is to facilitate payment of Directors' Fees and Benefits for the financial year 2025/2026. In the event that the proposed Directors' Fees and Benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next AGM of the Company for the additional Directors' Fees and Benefits payable to meet the shortfall.

Details of Directors' Remuneration and Benefits for the financial year ended 30 September 2024 are enumerated in the Corporate Governance Report 2024

3. **Item 3 of the Agenda**

All of the existing Directors of the Company are seeking re-election at the 1st AGM of the Company (the "**Retiring Directors**") pursuant to Clause 84.1 of the Company's Constitution and being eligible, have offered themselves for re-election under Ordinary Resolutions 2 to 8 respectively.

The Nominating Committee ("**NC**") has reviewed the performance and contribution of the Retiring Directors based on the Board Effectiveness Evaluation conducted, which encompassed several factors outlined in the Company's Fit and Proper Policy.

The NC and Board of Directors ("**Board**") have also evaluated the tenure of the Directors and the Board's composition to ensure that it has an appropriate mix of skills and experience to meet the business requirements. Additionally, the NC and Board have assessed the Retiring Directors' compliance with Rule 2.20A of the ACE Market Listing Requirements ("**ACE LR**") of Bursa Securities in terms of their quality and integrity.

Based on the results of the Board's annual assessment and the fit and proper assessment conducted for financial year ended 30 September 2024, it was found that the Retiring Directors' performance and fit and proper status were satisfactory.

The Retiring Directors, who are Independent Non-Executive Directors, have confirmed that they have fulfilled the independence criteria prescribed by the ACE LR of Bursa Securities. They have also confirmed that they do not have any existing or potential conflict of interest, including interests in any competing business with the Company and/or its subsidiaries or family interests that could affect the execution of their role as Directors.

Notice of Annual General Meeting
(Cont'd)

4. **Item 5 of the Agenda**

Ordinary Resolution 10, if passed, shall give power to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued share in the share capital of the Company for the time being ("**General Mandate**").

The General Mandate is a new general mandate to seek for allotment and issuance of shares by the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the ACE LR of Bursa Securities.

However, pursuant to Section 85(1) of the Act and Clause 53 of the Company's Constitution and Rule 7.08 of ACE LR of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 10, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

The purpose of this General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or such other purposes as the Directors may deem fit in the best interest of the Company, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such applications as the Directors may deem fit in the best interest of the Company and its shareholders, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares. This General Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

5. **Item 6 of the Agenda**

The approval of Ordinary Resolution 11 will ratify recurrent related party transactions ("**RRPTs**") detailed in the Circular to Shareholders dated 23 January 2025 ("**Circular**") that were entered into by the Company and its subsidiaries ("**Group**") during the specified ratification period. Furthermore, it will empower the Group to continue entering into such transactions, which are necessary for the Group's day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority Shareholders of the Company. The approval of the Proposed RRPT Mandate would eliminate the need for separate general meetings for each RRPT entered into which is more cost effective and timing efficient for the Company. The authority granted under Ordinary Resolution 11, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

For further information on Ordinary Resolution 11, please refer to the Circular accompanying the Annual Report of the Company for the financial year ended 30 September 2024.

Notes:

(1) The 1st AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities from the online meeting platform at https://www.propollsolutions.com.my (Domain registration number with MYNIC D1A403203) provided by Propoll via its Propoll online website at https://www.propollsolutions.com.my. Please refer to the Administrative Guide for the 1st AGM which is available at the Company's website at https://ir2.chartnexus.com/vanzo/agm.php for the procedures to register, participate and vote remotely at the 1st AGM through the RPV facilities.

*(2) Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys are to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 1st AGM using the RPV facilities.*

(3) The Broadcast Venue of the 1st AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 1st AGM.

(4) A member who is entitled to attend and vote at the 1st AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 1st AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 1st AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.

(5) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

*(6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

(7) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.

*(8) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company **not less than forty-eight (48) hours before the time appointed for holding the 1st AGM or at any adjournment thereof:**-*

(i) In Hardcopy Form

The Form of Proxy shall be deposited at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor.

(ii) By Electronic Means

The Form of Proxy shall be electronically submitted via Propoll website at https://www.propollsolutions.com.my.

Kindly refer to the Administrative Guide for the 1st AGM for the procedure on RPV facilities and further information.

(9) Pursuant to Rule 8.31A(1) of the ACE LR of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 1st AGM will be put to vote by poll.

(10) In respect of deposited securities, only members whose names appear in the Record of Depositors on ***14 February 2025*** *(General Meeting Record of Depositors) shall be entitled to participate at the 1st AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*

*(11) Those Forms of Proxy which are indicated with "**X**" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to participate at the 1st AGM and/or any adjournment thereof, a member of the Company:

*(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 1st AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 1st AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");*
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING NOTICE OF 1ST ANNUAL GENERAL MEETING ("1st AGM")
(Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. STATEMENT RELATING TO THE RE-ELECTION OF DIRECTORS

The following Directors ("**Retiring Directors**") are standing for re-election as Directors of the Company at the 1st AGM. For the purpose of determining the eligibility of the retiring Directors stand for re-election at the 1st AGM, the Board through the Nominating Committee ("**NC**") assessed the Retiring Directors and considered their satisfactory performance, noting that they have met the Board's expectations in discharging their duties and responsibilities and comply with the fit and proper criteria required in fulfilling their roles as Directors of the Company:

(i) Mr. Lim Seng Lee
(ii) Mr. Wong Liang Tzer
(iii) Mr. Tan Chin Soon
(iv) Ms. Choe Sook Ling
(v) Mr. Tan Kea Yong
(vi) Ms. Wong Phait Lee
(vii) Ms. Choo Foong Ling

The Board recommended that the Retiring Directors, who retire in accordance with Clause 84.1 of the Company's Constitution and eligible to stand for re-election. The profiles of the Retiring Directors including their declaration of conflict of interests are set out in the 2024 Annual Report.

2. STATEMENT RELATING TO THE GENERAL MANDATE FOR ISSUANCE OF SECURITIES

Ordinary Resolution 10 on the general mandate for the issuance of securities

Statement relating to a general mandate for the issuance of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Explanatory Note 4 of the Notice of the 1st AGM set out on page 126.

SCENT OF HEALTHSTYLE

VANZO HOLDINGS BERHAD
[Registration No.: 202301051922 (1545836-M)]
(Incorporated in Malaysia)

FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held			CDS Account No.	

*I/We ______________________________ NRIC No./Passport No. / Registration No. ______________________
(FULL NAME IN BLOCK LETTER)

of ____
(FULL ADDRESS)

with email ______________________________ and mobile phone no. ______________________,

being a *member/members of **VANZO HOLDINGS BERHAD**, do hereby appoint(s):

Full Name (in Block) [Proxy 1]	**NRIC/Passport No.**	**Proportion of shareholding**	
		No. of shares	**%**
Address:			
Email Address:			
Mobile Phone No.:			

and (if more than one (1) proxy)/or failing *him/her,

Full Name (in Block) [Proxy 2]	**NRIC/Passport No.**	**Proportion of shareholding**	
		No. of shares	**%**
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the First Annual General Meeting ("**1st AGM**") of the Company to be conducted on a fully virtual basis through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities from the online meeting platform at https://www.propollsolutions.com.my (Domain registration number with MYNIC D1A403203) provided by Propoll Solutions Sdn Bhd ("**Propoll**") in Malaysia via its Propoll online website at https://www.propollsolutions.com.my on Friday, 21 February 2025 at 10.00 a.m. and at any adjournment thereof

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy(ies) will vote or abstain for voting at his/her discretion.

ORDINARY RESOLUTIONS		**FOR**	**AGAINST**
A) ORDINARY BUSINESS			
1.	To approve the payment of Non-Executive Directors' Fees for an amount of up to RM328,000.00 payable to the Non-Executive Directors on a monthly basis for the period from 1 October 2024 until the next Annual General Meeting of the Company to be held in year 2026, in such proportions and manner as the Directors may determine as follows: -		

No	**Type of Director**	**Non-Executive Directors' Fee of the Company (RM)**
1	Chairman of the Board	80,000.00
2	Independent Non-Executive Directors	192,000.00
3	Non-Independent Non-Executive Directors	56,000.00
	Total	328,000.00

	AND THAT to approve the Non-Executive Directors' Benefits (excluding Directors' Fees) for an amount of up to RM22,500.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 1 October 2024 until the next Annual General Meeting of the Company to be held in year 2026, in such proportions and manner as the Directors may determine as follows:-		

No	Type of Director	Non-Executive Directors' Benefits of the Company (RM)
1	Chairman of the Board	4,500.00
2	Independent Non-Executive Directors	13,500.00
3	Non-Independent Non-Executive Directors	4,500.00
	Total	22,500.00

2.	Re-election of Mr. Lim Seng Lee as Director pursuant to Clause 84.1 of the Company's Constitution.		
3.	Re-election of Mr. Wong Liang Tzer as Director pursuant to Clause 84.1 of the Company's Constitution.		
4.	Re-election of Mr. Tan Chin Soon as Director pursuant to Clause 84.1 of the Company's Constitution.		
5.	Re-election of Ms. Choe Sook Ling as Director pursuant to Clause 84.1 of the Company's Constitution.		
6.	Re-election of Mr. Tan Kea Yong as Director pursuant to Clause 84.1 of the Company's Constitution.		
7.	Re-election of Ms. Wong Phait Lee as Director pursuant to Clause 84.1 of the Company's Constitution.		
8.	Re-election of Ms. Choo Foong Ling as Director pursuant to Clause 84.1 of the Company's Constitution.		
9.	Re-appointment of Messrs. Ecovis Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
B) SPECIAL BUSINESS			
10.	Authority to allot and issue shares pursuant to the Companies Act 2016.		
11.	Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this ______________ day of ______________ 2025

____
Signature of Member/Common Seal

**Strike out whichever is not desired.*

Notes:

(1) The 1st AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities from the online meeting platform at https://www.propollsolutions.com.my (Domain registration number with MYNIC D1A403203) provided by Propoll via its Propoll online website at https://www.propollsolutions.com.my. Please refer to the Administrative Guide for the 1st AGM which is available at the Company's website at https://ir2.chartnexus.com/vanzo/agm.php for the procedures to register, participate and vote remotely at the 1st AGM through the RPV facilities

*(2) Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys are to attend (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 1st AGM using the RPV facilities*

(3) The Broadcast Venue of the 1st AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 1st AGM.

(4) A member who is entitled to attend and vote at the 1st AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 1st AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 1st AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.

(5) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.

*(6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

(7) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.

*(8) The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company **not less than forty-eight (48) hours before the time appointed for holding the 1st AGM or at any adjournment thereof:-***

(i) In Hardcopy Form
The Form of Proxy shall be deposited at S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, 40460 Kota Kemuning, Shah Alam, Selangor.

(ii) By Electronic Means
The Form of Proxy shall be electronically submitted via Propoll website at https://www.propollsolutions.com.my.

Kindly refer to the Administrative Guide for the 1st AGM for the procedure on RPV Facilities and further information.

(9) Pursuant to Rule 8.31A(1) of the ACE LR of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 1st AGM will be put to vote by poll.

*(10) In respect of deposited securities, only members whose names appear in the Record of Depositors on **14 February 2025** (General Meeting Record of Depositors) shall be entitled to participate at the 1st AGM, or to appoint proxy(ies) to participate on their behalf.*

*(11) Those Forms of Proxy which are indicated with "**X**" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to participate at the 1st AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the 1st AGM dated 23 January 2025.

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AFFIX
STAMP

The Poll Administrator of
VANZO HOLDINGS BERHAD [Registration No.: 202301051922 (1545836-M)]
c/o: PROPOLL SOLUTIONS SDN BHD
S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
40460 Kota Kemuning,
Shah Alam, Selangor.

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Fold This Flap For Sealing

VANZO HOLDINGS BERHAD
202301051922 (1545836-M)

Location

No. 12, Jalan Tiang U8/92, Seksyen U8, Bukit Jelutong,
40150 Shah Alam, Selangor, Malaysia.

Contact

Tel : 03-7831 5055

website

vanzoasia.com