

ZHULIAN



PROSPECTUS

ZHULIAN CORPORATION BERHAD

(Company No. 415527-P)
(Incorporated in Malaysia under the Companies Act, 1965)

OFFER FOR SALE OF 122,341,000 ORDINARY SHARES OF RM0.50 EACH ("OFFER SHARES") AT AN OFFER PRICE OF RM1.23 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION COMPRISING:

- (i) 87,841,000 OFFER SHARES RESERVED FOR BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;
- (ii) 17,250,000 OFFER SHARES AVAILABLE FOR APPLICATION BY ELIGIBLE DIRECTORS, EMPLOYEES AND BUSINESS ASSOCIATES OF ZHULIAN CORPORATION BERHAD OR ITS SUBSIDIARIES; AND
- (iii) 17,250,000 OFFER SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC BY WAY OF PUBLIC BALLOTING

IN CONJUNCTION WITH THE LISTING OF ZHULIAN CORPORATION BERHAD ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

Adviser, Managing Underwriter, Underwriter and Lead Placement Agent



CIMB Investment Bank Berhad (18417-M)
(formerly known as Commerce International Merchant Bankers Berhad)

Underwriter



A.A. Anthony Securities Sdn. Bhd.
Company Number: 17812-U

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" COMMENCING ON PAGE 27 HEREOF

This Prospectus is dated 3 April 2007

This overview section is qualified in its entirety by, and should be read in conjunction with the full text of this Prospectus.

WHO ARE WE

- * Our Group was founded by Teoh Beng Seng, our Group President and Chief Executive Officer, who has more than twenty five (25) years of experience in fine gold jewellery production.
- * In 1989, ZHULIAN JEWELLERY MANUFACTURING SDN BHD and ZHULIAN MARKETING (M) SDN BHD established to manufacture and market costume jewellery through a direct selling channel. We received our direct selling licence in 1993 when the Direct Selling Act, 1993 was officially gazetted.
- * We currently have 77 agencies functioning as distribution centres throughout Malaysia and 114,750 Independent Distributors selling our products locally.
- * In 1998, we were awarded the Enterprise 50 Award for management excellence in ZHULIAN JEWELLERY MANUFACTURING SDN BHD and ZHULIAN MARKETING (M) SDN BHD.
- * In 2002, our subsidiary involved in manufacturing of consumer products, ZHULIAN INDUSTRIES SDN BHD, also achieved ISO 9001:2000 certification.

For information on our products and business opportunities with us, please visit our website at www.zhulian.com.my (Information contained on our Internet site does not constitute a part of this Prospectus)

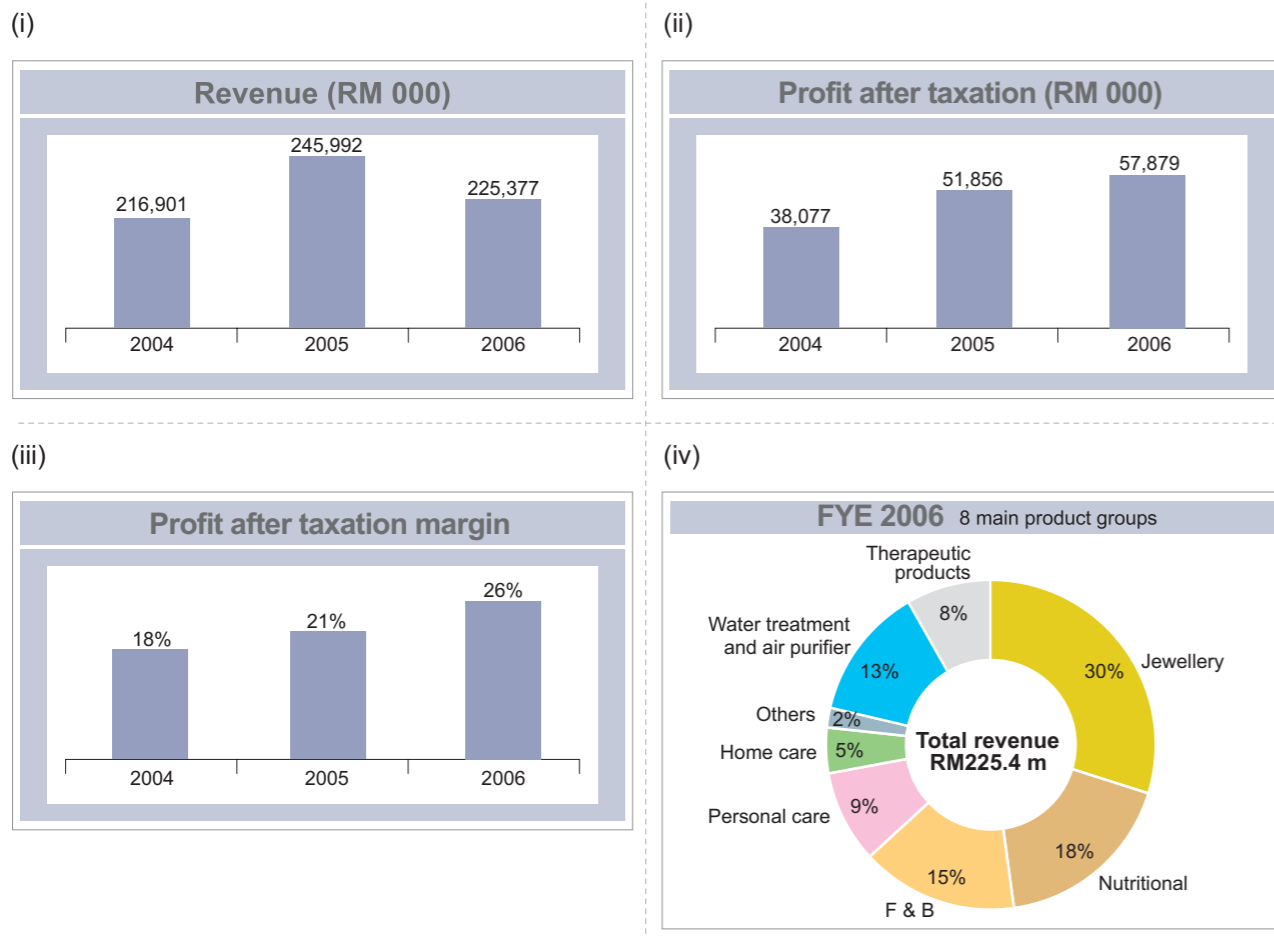
WHAT IS MULTI-LEVEL MARKETING?

Multi-level marketing ("MLM") is a direct selling business concept, which is approved by the Ministry of Domestic Trade and Consumer Affairs under the Direct Selling Act, 1993. Under the concept of MLM, a company distributes its products through a network of Independent Distributors who then sponsor other persons to participate in the activity. Products sold under MLM reach the end user through Independent Distributors rather than traditional retail establishments.

OUR BRANDS AND PRODUCTS

Product category	Principal products
<ul style="list-style-type: none"> • Costume jewellery/Fine jewellery Gold plated, rhodium plated, two-tone jewellery products and sterling silver jewellery products 	Bracelets, necklaces, earrings, rings, bangles, tie-pins, pendants, chains, brooches, anklets set with a variety of cubic zirconia, synthetic stone and semi-precious stones sold under the brand name "ZHULIAN"
<ul style="list-style-type: none"> • Nutritional Food supplements, nutritional supplements and sugar substitutes 	B'YOUNG advanced functional beverage, Royalmix BD COMPLEX, Royalmix KP COMPLEX, Vegi-Vera WHEAT GRASS JUICE POWDERED BEVERAGE, Dr. Africana's Origin (SOD) Rooibos Tea, Origrow Organic Milk Powder, ZhuBee nutritional supplements, HOMSWEET Pure Crystalline Fructose and HOMSWEET Crystalline Fructose with Fructo-Oligosaccharide, SSSolution Meal Replacement Beverages, ISO.5 Mixed Fibre Beverage
<ul style="list-style-type: none"> • Food & Beverage Coffee, cereal beverages and fruit juice concentrate 	COFFEE PLUS, Premix Coffee with Ginseng & Tongkat Ali, Premix Coffee with Ginseng & Kacip Fatimah, Premix Coffee with Mocha, Ginseng & Ginkgo Biloba, Premix Coffee with Ginseng, Unsweetened Premix Coffee with Ginseng, Premix Coffee with Lingzhi, Premix Coffee with Lingzhi & Green Tea, Cereal Drink with Lingzhi and SQUEEZY NUTRITIOUS JUICE CONCENTRATE
<ul style="list-style-type: none"> • Water treatment Water purification system and related products 	Beyond Water Bio-Active Reforming System
<ul style="list-style-type: none"> • Air purifier Air purifier system 	Beyond Microplasma Air Purifier
<ul style="list-style-type: none"> • Personal care Hygiene, grooming and skin care products such as hair shampoo and conditioners, hair gel, shower gel, body lotion, skin whitening cream, facial scrubs, facial masks, talcum, deodorant, toothpaste and foot care 	DOLPHIN and EL'TINA range of hair and body products, LAVITEEN hair and body shampoo with green tea, BabyCinta baby products, SHISHEN line of skin care products, ASSAHO deodorant and talcum powder, SmileOn line of toothpastes and Hinokoshiwa FOOT CARE SHEETS
<ul style="list-style-type: none"> • Home care Products comprising laundry, dishwashing and general purpose detergents, floor polish, air fresheners and fire extinguishers 	XTRA line of household products, JUNGLE FRESH Air Fresheners and API TERMINATOR DRY POWDER FIRE EXTINGUISHERS
<ul style="list-style-type: none"> • Bolsters, pillows, mattress pads and other therapeutic products 	Contiango Scientific Bolster, Contiango Scientific Pillow, Contiango Scientific Mattress Pads and M-belt bio-magnetic belts and belts

FINANCIAL HIGHLIGHTS



(v) Our Principal Market

Revenue FYE 2006

Thailand
RM66.343 million
(29.4%)

Malaysia
RM149.948 million
(66.5%)

Indonesia
RM6.499 million
(2.9%)

Singapore
RM1.994 million
(0.9%)

Others
RM0.593 million
(0.3%)



As at 28 February 2007

Thailand
255,482 Distributors
124 Agents

Malaysia
114,750 Distributors
77 Agents

Indonesia
26,424 Distributors
21 Agents

Singapore
1,561 Distributors

OUR COMPETITIVE STRENGTHS

(i) Our technical expertise in costume and fine jewellery manufacturing

- We have over seventeen (17) years of experience in costume and fine jewellery manufacturing. We have a wide pool of highly skilled designers, craftsmen and skilled operators for jewellery manufacturing.

(ii) Our fully integrated manufacturing capability

- We have fully integrated manufacturing facilities which allow us to achieve economies of scale, close monitoring of the quality of our products, ensure timely delivery of our products to distribution centres and control the supply of our products.

(iii) Our commitment and continuous effort in R&D

- We will continue to improve our existing products and develop new products with our commitment and continuous effort in R&D.

(iv) Our established brand name and extensive distribution network

- We have established a strong reputation for our brand name "ZHULIAN" in the local market as well as regional markets such as Thailand, Singapore and Indonesia. As at 28 February 2007, we have 114,750 Independent Distributors throughout Malaysia, 1,561 in Singapore, 255,482 in Thailand and 26,424 in Indonesia.

(v) Our information technology infrastructure within the distribution network

- We employ the Agent Distribution System to link each agency's transactions to our corporate headquarters which allows faster data processing and increased administrative efficiency.

(vi) Our wide range of products

- We offer a diverse and comprehensive range of premium products and we periodically release new products and improve our product mix. Our uncompromising commitment to stringent quality control provides our distributors and consumers with the confidence and assurance of quality control.

(vii) Our experienced and committed management team

- We have an experienced and committed management team comprising our Group President and Chief Executive Officer and Group Managing Director who have seventeen (17) years of experience in our Group. The management team possesses a wide knowledge and strong experience in corporate management, MLM and manufacturing industry.

OUR FUTURE PLANS AND STRATEGIES

(i) Geographical expansion

- Our business is currently focused mainly in Peninsula Malaysia. We have successfully developed our direct selling business in Thailand through our appointed master agent, ZHULIAN (Thailand) Ltd (which is our 49% associated company). We intend to expand our presence in Sabah and Sarawak and develop our market presence in Singapore through our subsidiary, ZHULIAN (Singapore) Pte Ltd and Indonesia through our appointed master agent, PT ZHULIAN Indonesia. We also intend to extend our MLM distribution channel to other markets around Asia Pacific region especially Taiwan and Hong Kong through our international sponsoring programme.

(ii) Expanding our line of products

- We intend to continuously improve our existing product range and create a wider range of high value products to meet increasingly diversified consumer needs and increase our competitive edge.

(iii) Expansion in capacity and capital investment

- We intend to utilise part of the proceeds from the Rights Issue for construction of a new factory and purchase of new machineries. We intend to expand our existing factory located in Plot 41, Bayan Lepas Industrial Estate using our internally generated funds.

(iv) Brand management

- We plan to continue to invest in product branding to increase our business strength and competitiveness.

IMPORTANT NOTICE

Our Directors, Promoters and Offerors have seen and approved this Prospectus and they collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statement or other facts, the omission of, which would make any statement in this Prospectus false or misleading. Our Directors accept full responsibility for the consolidated profit forecast included in this Prospectus and confirm that the consolidated profit forecast has been prepared based on the assumptions made.

CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad) ("CIMB"), as our Adviser, Managing Underwriter, Underwriter and Lead Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the Offer For Sale (as defined herein) and is satisfied that the consolidated profit forecast (for which our Directors are fully responsible) prepared for inclusion in this Prospectus has been stated by our Directors after due and careful enquiry and has been duly reviewed by the Reporting Accountants.

The Securities Commission ("SC") has approved the Offer For Sale. However, this approval is not an indication that the SC recommends the Offer For Sale.

The SC shall not be liable for any non-disclosure in this Prospectus by us. The SC also takes no responsibility for the contents of this Prospectus and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Bursa Malaysia Securities Berhad ("Bursa Securities") is not liable for any non-disclosure in this Prospectus by us. Bursa Securities also takes no responsibility for the contents of this Prospectus and makes no representation as to its correctness or completeness. Bursa Securities shall not be liable for any loss that you may suffer as a result of your reliance on the whole or any part of this Prospectus. Admission to the Official List of the Main Board of Bursa Securities is not to be taken as an indication of the merits of our Company, our shares or the Offer For Sale.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE OFFER FOR SALE AND THE INVESTMENT OF OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE IN CONSIDERING AN INVESTMENT IN OUR COMPANY, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 57, 58 and 153 of the Securities Commission Act, 1993.

A copy of this Prospectus has been registered with the SC. A copy of this Prospectus and together with the accompanying Application Form have also been lodged with the Registrar of Companies who takes no responsibility for their contents. This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com.

Our shares are classified as Syariah-compliant by the Syariah Advisory Council of the SC based on the latest audited financial year and this classification remains valid from the date of issue of the Prospectus until the next Syariah compliance review is undertaken by the Syariah Advisory Council of the SC, and the new status is released in the updated list of Syariah-compliant securities, either on the last Friday of the month of April or October. The Syariah status for our shares cannot be used for other fund-raising activities.

The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same. You may obtain a copy of the Electronic Prospectus from the website of CIMB at www.eipocimb.com and the website of CIMB Bank Berhad (formerly known as Bumiputra-Commerce Bank Berhad) at www.cimbclicks.com.my. You may also obtain a copy of the Electronic Prospectus from the website of Malayan Banking Berhad at www.maybank2u.com.my and RHB Bank Berhad at www.rhb.com.my via hyperlink to the website of Bursa Securities. This Prospectus ends at page 324.

IMPORTANT NOTICE (CONT'D)

You are advised that the internet is not a fully secured medium. Your internet share application may be subject to the risks of data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the internet participating financial institution. These risks cannot be borne by the internet participating financial institution. If you doubt the validity or integrity of the Electronic Prospectus, you should immediately request from us, our Adviser or the Issuing House, a paper/printed copy of the Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "third party internet sites"), whether by way of hyperlinks or by way of description of the third party internet sites, you acknowledge and agree that:

- (a) We do not endorse and are not affiliated in any way with the third party internet site. Accordingly, we are not responsible for the availability of, or the contents or any data, information, files or other material provided on the third party internet sites. You bear all risks associated with the access to or use of the third party internet sites;
- (b) We are not responsible for the quality of products or services in the third party internet sites, particularly in fulfilling any of the terms of your agreements with the third party internet sites. We are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the third party internet sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (c) Any data, information, files or other material downloaded from the third party internet sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the internet participating financial institution, you are advised that:

- (a) The participating financial institution is only liable in respect of the integrity of the contents of an Electronic Prospectus to the extent of the content of the Electronic Prospectus on the web server of the internet participating financial institution which may be viewed via your web browser or other relevant software. The internet participating financial institution is not responsible for the integrity of the contents of an Electronic Prospectus which has been obtained from the web server of the internet participating financial institution and subsequently communicated or disseminated in any manner to you or other parties; and
- (b) While all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The internet participating financial institution is not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or on any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institution, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

IMPORTANT NOTICE (CONT'D)

This Prospectus does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority other than Malaysia.

This Prospectus is not intended to be issued, circulated or distributed, and the Offer For Sale will not be made in any country or jurisdiction other than Malaysia or to persons who are subject to the laws of any countries or jurisdiction other than the laws of Malaysia. The Offer For Sale to which this Prospectus relates is only available to persons receiving this Prospectus electronically or otherwise within Malaysia.

We will not make or be bound to make any enquiry before any acceptance in respect of the Offer For Sale as to whether you have a registered address in Malaysia. We will not accept any liability whether or not any enquiry or investigation is made in connection to it. It is your sole responsibility to consult your legal and/or other professional advisers as to whether the Offer For Sale would result in the contravention of any laws or jurisdictions of Malaysia.

Further, it shall also be your sole responsibility to ensure that your application for the Offer For Sale would be in compliance with the terms of the Offer For Sale and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subject. We will further assume that you had accepted the Offer For Sale in Malaysia and will at all applicable times be subject only to the laws of Malaysia in connection to it.

However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

We will not take any action to ensure that this Prospectus complies with the laws of any countries or jurisdictions other than the laws of Malaysia. It is your sole responsibility to consult your legal and/or other professional advisers on the laws of the Offer For Sale that you are or might be subject to. Neither we nor our Adviser will accept any responsibility or liability if your application becomes illegal, unenforceable, voidable or void in any country or jurisdiction.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

INDICATIVE TIMETABLE

The following terms in this Prospectus have the same meanings as stated below unless indicated otherwise:

Events	Tentative date
Opening of the application	3 April 2007
Closing of the application	10 April 2007*
Tentative date for balloting	12 April 2007*
Tentative date for allotment	24 April 2007*
Tentative listing date	27 April 2007*

Note:

- * *Our Directors, the Underwriters and the Offerors may mutually decide in their absolute discretion to extend the closing date and time for applications to any later date. If they decide to extend the closing date of the applications, the dates for the balloting and allotment of the Offer Shares and listing of and quotation for all our Shares on the Main Board of Bursa Securities would be extended accordingly. We will announce any changes to the above tentative dates in widely circulated Bahasa Malaysia, English and Chinese newspapers in Malaysia.*

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

DEFINITIONS

The following terms in this Prospectus have the same meanings as stated below unless indicated otherwise:

Our Company, subsidiaries and associated company

“AVSB”	:	Amazing Vestrax Sdn Bhd (<i>Company No. 688963-U</i>)
“BPTSB”	:	Beyond Products Technology Sdn Bhd (<i>Company No. 386717-K</i>)
“Company” or “ZCB”	:	Zhulian Corporation Berhad (<i>Company No. 415527-P</i>)
“DISB”	:	Diamond Inspiration Sdn Bhd (<i>Company No. 375186-D</i>)
“DSB”	:	Dexassets Sdn Bhd (<i>Company No. 686970-K</i>)
“MSSB”	:	Master Square Sdn Bhd (<i>Company No. 389011-A</i>)
“SNDSB”	:	Selat Nusantara Development Sdn Bhd (<i>Company No. 665240-M</i>)
“ZCSB”	:	Zhulian Construction Sdn Bhd (<i>Company No. 415546-H</i>)
“ZDSB”	:	Zhulian Development Sdn Bhd (<i>Company No. 321164-M</i>)
“ZISB”	:	Zhulian Industries Sdn Bhd (<i>Company No. 304448-X</i>)
“ZJMSB”	:	Zhulian Jewellery Manufacturing Sdn Bhd (<i>Company No. 183361-U</i>)
“ZMFSB”	:	Zhulian Manufacturing Sdn Bhd (<i>Company No. 392763-V</i>)
“ZMMSB”	:	Zhulian Marketing (M) Sdn Bhd (<i>Company No. 186058-T</i>)
“ZMSB”	:	Zhulian Management Sdn Bhd (<i>Company No. 374415-M</i>)
“ZNSB”	:	Zhulian Nutraceutical Sdn Bhd (<i>Company No. 644402-D</i>)
“ZPISB”	:	Zhulian Printing Industries Sdn Bhd (<i>Company No. 216788-X</i>)
“ZPSB”	:	Zhulian Properties Sdn Bhd (<i>Company No. 665167-D</i>)
“ZSG”	:	Zhulian (Singapore) Pte Ltd (<i>Company No. 200105275R</i>)
“ZTH”	:	Zhulian (Thailand) Ltd (<i>Company No. (3) 1207/2539</i>)
“ZVSB”	:	Zhulian Ventures Sdn Bhd (<i>Company No. 665168-A</i>)

DEFINITIONS (CONT'D)

General

“A.A. Anthony”	:	A.A. Anthony Securities Sdn Bhd (<i>Company No. 17812-U</i>)
“Acquisitions”	:	ZJMSB Acquisition, ZISB Acquisition, ZMMSB Acquisition, ZDSB Acquisition, ZMSB Acquisition, ZPISB Acquisition, ZPSB Acquisition and SNDSB Acquisition, collectively
“Act”	:	Companies Act, 1965 and any amendments made thereto from time to time
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“AFTA”	:	ASEAN Free Trade Area
“Agency Agreement”	:	Agency agreement between ZMMSB and its agents to distribute and sell its products under the trademark of “ZHULIAN” at the relevant districts in Malaysia
“Agent(s)”	:	An authorised agent of ZMMSB who has been appointed to sell and distribute our products under the terms of the Agency Agreement
“Application”	:	Application for the Offer Shares by way of Application Forms, Electronic Share Application or Internet Share Application
“Application Form(s)”	:	Printed Application Form(s) for the application for the Offer Shares
“ASEAN”	:	Association of South-East Asian Nations
“ATM”	:	Automated Teller Machine
“Authorised Financial Institution(s)”	:	Authorised financial institution(s) participating in the Internet Share Applications in respect to the payments for the Offer Shares
“Board” or “Directors”	:	Our Board of Directors
“Bursa Depository”	:	Bursa Malaysia Depository Sdn Bhd (<i>Company No. 165570-W</i>), a subsidiary of Bursa Securities
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (<i>Company No. 635998-W</i>)
“CCM”	:	Companies Commission of Malaysia
“CDS”	:	Central Depository System
“CDS Account”	:	An account established by Bursa Depository for a depositor for the recording of deposit of securities and for dealing in such securities by the depositor
“CIMB”	:	CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad) (<i>Company No. 18417-M</i>)

DEFINITIONS (CONT'D)

“DSAM”	:	The Direct Selling Association of Malaysia
“EBITDA”	:	Earnings before interest, taxation, depreciation and amortisation
“EGM”	:	Extraordinary general meeting
“Electronic Prospectus”	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet and/or an electronic storage medium, including but not limited to Compact Disk Read Only Memory or floppy disk
“Electronic Share Application”	:	An application for the Offer Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per share
“F&B”	:	Food and beverage
“FIC”	:	Foreign Investment Committee
“GDP”	:	Gross Domestic Product
“Government”	:	Government of Malaysia
“IASC”	:	Increase in our authorised share capital from RM100,000 comprising 200,000 ordinary shares of RM0.50 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each
“Independent Distributor(s)”	:	An authorised distributor of our Group who has signed the Distributorship Application Form under the terms and regulations of the Zhulian Golden Business Guide
“Internet Participating Financial Institution(s)”	:	Participating financial institution(s) for Internet Share Application
“Internet Share Application”	:	An application for the Offer Shares through an online share application service provided by the Internet Participating Financial Institutions
“Issuing House”	:	Malaysian Issuing House Sdn Bhd (<i>Company No. 258345-X</i>)
“IT”	:	Information Technology
“KPDN”	:	Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna or Ministry of Domestic Trade and Consumer Affairs
“Latest Practicable Date”	:	28 February 2007, being the latest practicable date prior to the issuance of this Prospectus
“Listing”	:	Admission to the Official List and the listing of and quotation for all our issued and paid-up Shares on the Main Board of Bursa Securities
“Listing Requirements”	:	Listing Requirements of Bursa Securities
“Market Day”	:	A day when Bursa Securities is open for trading

DEFINITIONS (CONT'D)

"Master Agent(s)"	:	ZTH and PT Zhulian who have been appointed to sell and distribute our products under the terms of the agreements dated 5 May 2006
"MI"	:	Minority interests
"MITI"	:	Ministry of International Trade and Industry
"MLM"	:	Multi-Level Marketing
"MTVTSB"	:	Malaysian Technology Venture Two Sdn Bhd (<i>Company No. 310452-D</i>), a substantial shareholder of our Company prior to the Offer For Sale
"NBV"	:	Net book value
"NTA"	:	Net tangible assets
"Offer For Sale"	:	Offer for sale of 122,341,000 Offer Shares by the Offerors at the Offer Price payable in full on application comprising: <ul style="list-style-type: none"> (i) 87,841,000 Offer Shares reserved for Bumiputera investors approved by the MITI; (ii) 17,250,000 Offer Shares available for application by eligible Directors, employees and business associates of our Company or subsidiaries; and (iii) 17,250,000 Offer Shares available for application by the Malaysian public by way of public balloting
"Offer Price"	:	RM1.23 per Offer Share
"Offer Share(s)"	:	122,341,000 Shares which are offered in the Offer For Sale, subject to the terms and conditions of this Prospectus
"Offerors"	:	Teoh Beng Seng, Teoh Meng Keat, Ng Suan Choo, P'ng Swee Guan and MTVTSB, collectively
"Official List"	:	Official List of the Main Board of Bursa Securities
"Participating Financial Institution(s)"	:	Participating financial institution(s) for the Electronic Share Application as listed in Section XV of this Prospectus
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PE Multiple"	:	Price earnings multiple
"PR China"	:	People's Republic of China
"Promoters"	:	Teoh Beng Seng and Teoh Meng Keat, collectively
"PSB"	:	Perisan Sdn Bhd (<i>Company No. 672853-H</i>)
"PT Zhulian"	:	PT Zhulian Indonesia (<i>Company No. 09-03-1-5137795</i>)
"QC"	:	Quality control

DEFINITIONS (CONT'D)

"R&D"	:	Research and development
"Restructuring"	:	Acquisitions and Transfers, collectively
"Rights Issue"	:	Rights issue of 60,548,553 new Shares at an issue price of RM0.535 per Share on the basis of approximately point two one three (0.213) for every one (1) Share held after the Restructuring
"SAC"	:	Syariah Advisory Council
"SC"	:	Securities Commission
"SC Guidelines"	:	Policies and Guidelines on Issue/Offer of Securities issued by the SC
"SESB"	:	Sila Emas Sdn Bhd (<i>Company No. 634652-M</i>)
"Share Split"	:	Share split by ZCB of one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each
"Share(s)" or "ZCB Shares"	:	Ordinary share(s) of RM0.50 each in our Company
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991
"SME"	:	Small and Medium Enterprises
"SNDSB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of SNDSB from Teoh Beng Seng and Teoh Meng Keat for a cash consideration of RM2
"SNDSB Share(s)"	:	Ordinary share(s) of RM1.00 each in SNDSB
"Special Dividends"	:	Special dividends amounting to RM43,550,000 declared and paid by certain of our subsidiaries to their then shareholders prior to completion of the Restructuring
"Special Additional Dividends"	:	Special additional dividends amounting to RM20,000,000 declared and paid by our Company to our existing shareholders prior to completion of the Offer For Sale
"Transfers"	:	Transfer of BPTSB, ZMFSB and DISB, Transfer of MSSB and ZNSB and Transfer of ZDSB and ZVSB, collectively
"Transfer of BPTSB, ZMFSB and DISB"	:	Transfer of ZJMSB's entire shareholdings in its wholly-owned subsidiaries, namely BPTSB, ZMFSB and DISB to us for a cash consideration of RM1,200,000

DEFINITIONS (CONT'D)

"Transfer of MSSB and ZNSB"	:	Collectively, the transfer of: <ul style="list-style-type: none"> (i) ZISB's entire shareholdings in its wholly-owned subsidiary, MSSB to us for a cash consideration of RM100,000; (ii) ZISB's entire shareholdings in ZNSB comprising 199,998 ZNSB Shares representing 99.999% equity interest in ZNSB to us for a cash consideration of RM199,998; and (iii) Teoh Beng Seng and Teoh Meng Keat's entire shareholdings in ZNSB comprising two (2) ZNSB Shares representing the remaining equity interest in ZNSB not held by ZISB, to us at a nominal cash consideration of RM2
"Transfer of ZDSB and ZVSB"	:	Collectively, the transfer of: <ul style="list-style-type: none"> (i) ZMMSB's entire shareholdings in ZDSB of 550,000 ZDSB Shares representing the remaining 52.38% equity interest in ZDSB to us for a cash consideration of RM550,000; (ii) ZMMSB's entire shareholdings in ZVSB comprising 99,998 ZVSB Shares representing 99.998% equity interest in ZVSB to us for a cash consideration of RM99,998; and (iii) Teoh Beng Seng and Teoh Meng Keat's shareholdings in ZVSB comprising two (2) ZVSB Shares representing the remaining equity interest in ZVSB not held by ZMMSB to us at a nominal cash consideration of RM2
"UK"	:	United Kingdom
"USA"	:	United States of America
"Underwriting Agreement"	:	Conditional underwriting agreement dated 16 March 2007 between our Company, the Offerors, the Managing Underwriter and the Underwriters to underwrite 34,500,000 Offer Shares which are made available for application by the Malaysian public and eligible Directors, employees and business associates of our Company or subsidiaries
"USM"	:	Universiti Sains Malaysia
"ZCSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZCSB
"ZDSB Acquisition"	:	Our acquisition of 500,000 ZDSB Shares representing 47.62% equity interest in ZDSB not held by ZMMSB from Teoh Beng Seng and Teoh Meng Keat for a purchase consideration of about RM327,216 which was satisfied by the issuance of 654,431 new Shares credited as fully paid-up
"ZDSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZDSB
"ZHSB"	:	Zhulian Holdings Sdn Bhd (<i>Company No. 287721-K</i>), a substantial shareholder of our Company

DEFINITIONS (CONT'D)

"ZISB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of ZISB comprising 300,000 ZISB Shares from Teoh Beng Seng, PSB, Teoh Meng Soon, Teoh Meng Lee, Teoh Meng Keat and ZHSB for a purchase consideration of RM35,873,175 which was satisfied by the issuance of 71,746,350 new Shares credited as fully paid-up
"ZISB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZISB
"ZJMSB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of ZJMSB comprising 10,000,000 ZJMSB Shares from Teoh Beng Seng, Teoh Meng Keat, Ng Suan Choo, SESB, ZHSB and MTVTSB for a purchase consideration of RM63,802,035 which was satisfied by the issuance of 127,604,070 new Shares credited as fully paid-up
"ZJMSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZJMSB
"ZMMSB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of ZMMSB comprising 3,000,000 ZMMSB Shares from Teoh Beng Seng, Teoh Meng Keat, SESB, ZHSB and MTVTSB for a purchase consideration of RM36,528,231 which was satisfied by the issuance of 73,056,462 new Shares credited as fully paid-up
"ZMMSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZMMSB
"ZMSB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of ZMSB comprising 100,000 ZMSB Shares from Teoh Beng Seng and Teoh Meng Keat for a purchase consideration of RM3,622,367 which was satisfied by the issuance of 7,244,734 new Shares credited as fully paid-up
"ZMSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZMSB
"ZNSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZNSB
"ZPISB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of ZPISB comprising 100,000 ZPISB Shares from Teoh Beng Seng, Teoh Meng Keat and P'ng Swee Guan for a purchase consideration of RM2,072,698 which was satisfied by the issuance of 4,145,396 new Shares credited as fully paid-up
"ZPISB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZPISB
"ZPSB Acquisition"	:	Our acquisition of the entire issued and paid-up capital of ZPSB from Teoh Beng Seng and Teoh Meng Keat for a cash consideration of RM2
"ZVSB Share(s)"	:	Ordinary share(s) of RM1.00 each in ZVSB

DEFINITIONS (CONT'D)

Currencies, Units and Others

“kg”	:	Kilogramme
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SGD”	:	Singapore dollar
“Sq. metres”	:	Square metres
“THB”	:	Thailand Baht
“USD”	:	USA dollar

Any references to “our Company” and “ZCB” in this Prospectus are to Zhulian Corporation Berhad, references to “our Group” is to our Company and our subsidiaries. Our Group structure is assumed to be in place as of the date of this Prospectus (except for ZTH who only became the associated company of ZMMSB on 27 September 2004) and references to “we”, “us”, “our” and “ourselves” are to our Company, and save where the context otherwise requires to our Company and our subsidiaries. Any references to “Management” is a reference to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

In this Prospectus, words denoting the singular shall include the plural number and vice versa, words denoting any gender shall include all genders, words denoting persons shall include natural persons, firms, companies, bodies corporate and unincorporated bodies, and a reference to a section is a reference to the relevant section of this Prospectus, unless otherwise expressly indicated.

Unless otherwise indicated, any reference in this Prospectus to any legislation, statute or statutory provision is a reference to that legislation, statute or statutory provision for the time being, as amended or re-enacted, and to any repealed legislation, statute or statutory provision which is re-enacts (with or without modification).

Any reference to a time or day in this Prospectus shall be a reference to that time or day in Malaysia, unless otherwise stated.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

SECTION	PAGE
I. CORPORATE DIRECTORY	1
II. INFORMATION SUMMARY	4
1. Overview of our Group	4
2. Ownership and management	6
3. Our competitive strengths.....	8
4. Our future plans and strategies.....	9
5. Principal statistics relating to the Offer For Sale	9
6. Financial highlights	10
7. Proceeds from the Rights Issue and the Offer For Sale	13
8. Risk factors	14
III. DETAILS OF THE OFFER FOR SALE.....	16
1. Introduction	16
2. Share capital	17
3. Opening and closing of applications.....	18
4. Important tentative dates	18
5. Plan of distribution	18
6. Basis of arriving at the Offer Price.....	20
7. Premium over NTA per Share	22
8. Purpose of the Offer For Sale and Listing	22
9. Brokerage, underwriting commission and placement fee	22
10. Salient terms of the Underwriting Agreement	23
IV. RISK FACTORS	27
1. Risks relating to our business and operations	27
2. Risks relating to countries in which we operate	31
3. Risks relating to an investment in our Shares.....	32
4. Cautionary notes regarding forward-looking statements.....	34

TABLE OF CONTENTS (CONT'D)

V.	INFORMATION ON OUR GROUP	36
1.	Incorporation.....	36
2.	Share Split, IASC, Special Dividends, Special Additional Dividends, Restructuring, Rights Issue and Listing.....	36
3.	Share capital.....	43
4.	Subsidiaries and associated company	44
5.	Properties	59
6.	Material plant and equipment.....	65
7.	Major licences and permits.....	66
8.	Intellectual property rights	68
9.	Contractual arrangements.....	68
VI.	INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS	70
1.	Directors, key management and employees.....	70
2.	Substantial shareholders and promoters.....	83
3.	Relationships and associations	88
VII.	HISTORY AND BUSINESS OVERVIEW	89
1.	History of our Group	89
2.	Business overview.....	90
VIII.	INDUSTRY OVERVIEW AND PROSPECTS	106
1.	Industry overview.....	106
2.	Competition	117
3.	Competitive advantages.....	118
4.	Management plans and strategies	123
IX.	APPROVALS AND CONDITIONS.....	125
X.	RELATED PARTY TRANSACTIONS/CONFLICT OF INTERESTS.....	129
1.	Related party transactions.....	129
2.	Declaration of the advisers.....	131
3.	Conflict of interests	131
4.	Outstanding loans.....	131

TABLE OF CONTENTS (CONT'D)

XI.	FINANCIAL INFORMATION	132
	1. Proforma consolidated financial information	132
	2. Management discussion and analysis of financial condition and results of operations	135
	3. Working capital, borrowings, contingent liabilities and material capital commitments	143
	4. Reporting Accountants' Letter on the proforma consolidated financial information	146
	5. Consolidated profit forecast.....	177
	6. Directors' analysis and commentary on the consolidated profit forecast	178
	7. Sensitivity analysis.....	178
	8. Reporting Accountants' Letter on the consolidated profit forecast.....	180
	9. Dividend forecast and policy.....	186
XII.	ACCOUNTANTS' REPORT	188
XIII.	DIRECTORS' REPORT	273
XIV.	STATUTORY AND OTHER GENERAL INFORMATION	274
	1. Share capital.....	274
	2. Articles of association.....	274
	3. Directors, promoters and substantial shareholders.....	281
	4. General	281
	5. Material litigation.....	282
	6. Material contracts	284
	7. Letters of consent	286
	8. Documents available for inspection.....	287
	9. Responsibility statements.....	287

TABLE OF CONTENTS (CONT'D)

XV.	PROCEDURE FOR APPLICATION.....	289
1.	Opening and closing of applications.....	289
2.	Eligibility.....	289
3.	Procedures for application.....	289
4.	Terms and conditions.....	297
5.	Authority of our Directors and the Issuing House.....	301
6.	Over/under-subscription.....	301
7.	Unsuccessful/partially successful applicants.....	302
8.	Successful applicants.....	303
9.	Enquiries.....	303
XVI.	LIST OF AUTHORISED DEPOSITORY AGENTS.....	304

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

I. CORPORATE DIRECTORY**DIRECTORS**

Name	Address	Occupation	Nationality
Haji Wan Mansoor Bin Wan Omar <i>(Independent Non-Executive Chairman)</i>	2601, Jalan Permata 15 Taman Permata 53300 Kuala Lumpur	Company Director	Malaysian
Teoh Beng Seng <i>(Group President and Chief Executive Officer)</i>	1-7-7, Block B Green Lane Heights Lintang Gangsa 11600 Penang	Company Director	Malaysian
Teoh Meng Keat <i>(Group Managing Director)</i>	1-7-7, Block B Green Lane Heights Lintang Gangsa 11600 Penang	Company Director	Malaysian
Khoo Teng It <i>(Executive Director)</i>	2-10-1 Eden Seaview Jalan Sungai Satu 11100 Batu Ferringhi Penang	Company Director	Malaysian
Tan Lip Gay <i>(Independent Non-Executive Director)</i>	2-D, Lorong Delima Satu 11700 Island Glades Penang	Company Director	Malaysian
Diong Chin Teck <i>(Independent Non-Executive Director)</i>	5, Cantonment Avenue 10350 Penang	Chartered Accountant	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Diong Chin Teck	Chairman	Independent Non-Executive Director
Tan Lip Gay	Member	Independent Non-Executive Director
Teoh Meng Keat	Member	Group Managing Director

COMPANY SECRETARY OF OUR COMPANY : Lam Voon Kean (MIA 4793)
9 Reservoir, 5th Avenue
11500 Penang

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

I. CORPORATE DIRECTORY (CONT'D)

- HEAD OFFICE** : Plot 42
Bayan Lepas Industrial Estate, Phase IV
11900 Pulau Pinang
Telephone No.: 04-6412020
Fax No.: 04-6425989
E-mail: info@zhulian.com.my or info@zhulian.com
Websites: www.zhulian.com.my or www.zhulian.com
- PRINCIPAL BANKERS** : CIMB Bank Berhad (formerly known as Bumiputra-
Commerce Bank Berhad)
32, Jalan Mahsuri
Bandar Bayan Baru
11950 Pulau Pinang
Telephone No.: 04-6444144
- Malayan Banking Berhad
Plaza MWE Branch
Ground Floor, Plaza MWE
8, Lebuhr Farquhar
10200 Pulau Pinang
Telephone No.: 04-2637319
- United Overseas Bank (Malaysia) Bhd
64E – H, Lebuhr Bishop
10200 Pulau Pinang
Telephone No.: 04-2622386
- AUDITORS AND REPORTING ACCOUNTANTS** : KPMG (AF 0758)
1st Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Telephone No.: 04-2272288
- REGISTRAR** : Agriteum Share Registration Services Sdn Bhd
2nd Floor, Wisma Penang Garden
42, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Telephone No.: 04-2282321
- ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd
27th Floor, Menara Multi-Purpose
Capital Square
8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone No.: 03-26932075
- SOLICITORS FOR THE LISTING** : Teh & Lee (Advocates & Solicitors)
A-3-3 & A-3-4
North Point Offices
Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Telephone No.: 03-22832800

I. **CORPORATE DIRECTORY (CONT'D)**

- SOLICITORS FOR OUR COMPANY** : Murad & Foo
Suites 10.01, 10.07 & 10.08
10th Floor, MWE Plaza
8 Lebuhr Farquhar
10200 Pulau Pinang
Telephone No.: 04-2631233
- Cheong Wai Meng & Van Buerle
49 Church Street
10200 Pulau Pinang
Telephone No.: 04-2625446
- ADVISER, MANAGING UNDERWRITER, UNDERWRITER AND LEAD PLACEMENT AGENT** : CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad)
5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Telephone No.: 03-20848888
- UNDERWRITERS** : CIMB Investment Bank Berhad (formerly known as Commerce International Merchant Bankers Berhad)
5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Telephone No.: 03-20848888
- A.A. Anthony Securities Sdn Bhd
1st Floor
Bangunan Heng Guan
171 Jalan Burmah
10050 Penang
Telephone No.: 04-2299318
- LISTING SOUGHT** : Main Board of Bursa Securities
- SYARIAH STATUS** : Approved by the SAC of the SC

II. INFORMATION SUMMARY

THIS SUMMARY OF SALIENT INFORMATION ABOUT US AND THE OFFER FOR SALE IS EXTRACTED FROM THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE ENTIRE PROSPECTUS CAREFULLY BEFORE YOU DECIDE WHETHER TO INVEST IN OUR COMPANY.

1. OVERVIEW OF OUR GROUP

We were incorporated in Malaysia on 2 January 1997 under the Act as a private limited company under the name of Zhulian Corporation Sdn Bhd. On 28 February 1997, we were converted into a public limited company and assumed our present name.

We are an investment holding company while the principal activities of our subsidiaries and associated company are as follows:

Manufacturing

ZJMSB	Manufacturing of costume and fine jewellery
ZMFSB	Manufacturing of bedroom apparels and therapeutic products
ZISB	Manufacturing of consumer products
BPTSB	Manufacturing of water treatment system and its related products
ZNSB	Dormant
ZPISB	Printing of brochures, leaflets, catalogues, name cards and other related documents

Marketing, Trading and Management Services

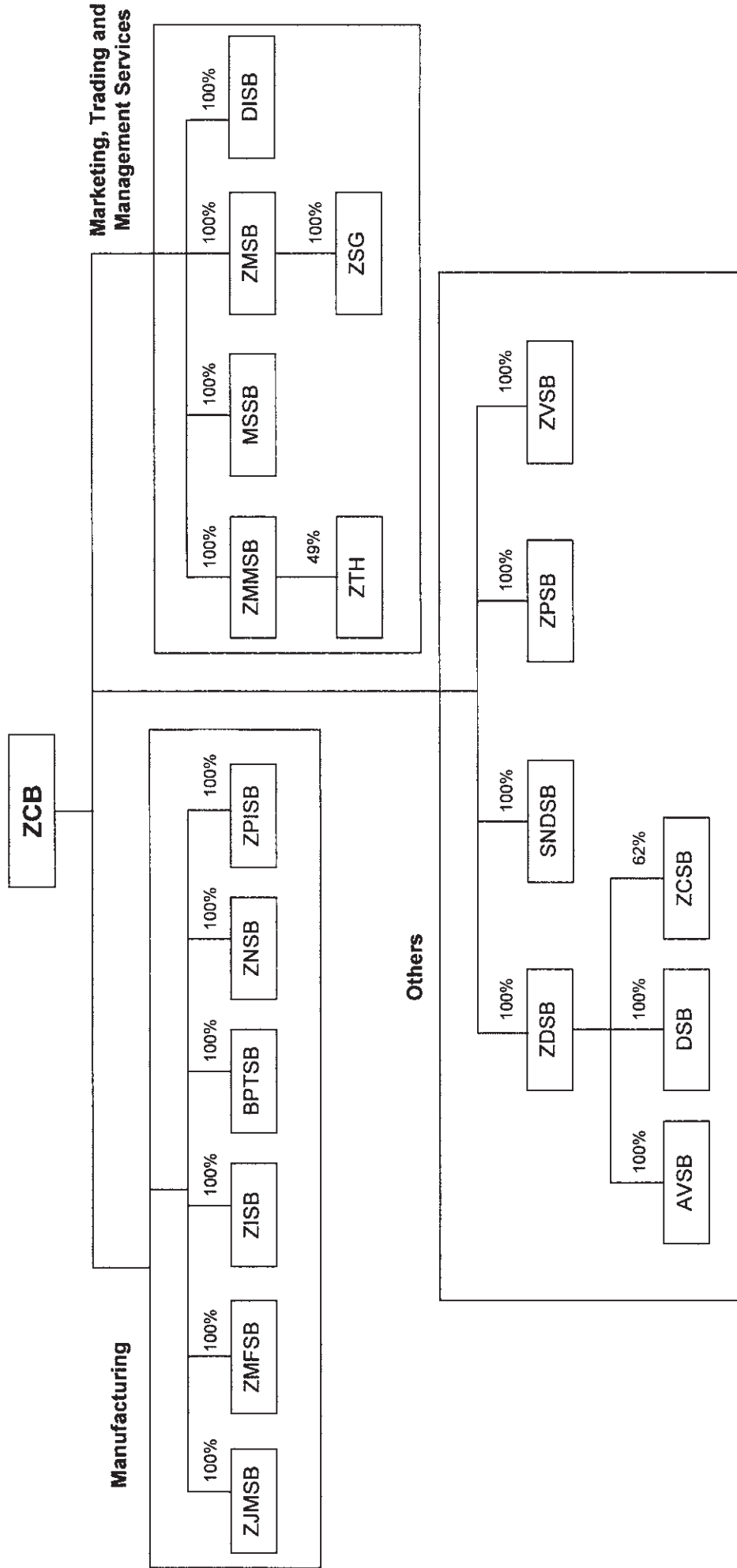
ZMMSB	Direct marketing of costume jewellery and consumer products
ZTH	Direct marketing of costume jewellery and consumer products
MSSB	Trading of consumer products
ZMSB	Provision of management services and investment holding
ZSG	Direct marketing of all kinds of costume jewellery and consumer products
DISB	Dormant

Others

ZDSB	Property development
AVSB	Dormant
DSB	Dormant
ZCSB	Dormant
SNDSB	Dormant
ZPSB	Dormant
ZVSB	Dormant

II. INFORMATION SUMMARY (CONT'D)

Our corporate structure is as follows:



We have set out detailed information on the companies of our Group in Section V(4) of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

Our Group was founded by Teoh Beng Seng who has more than twenty five (25) years of experience in fine gold jewellery production. In 1989, Teoh Beng Seng established ZJMSB and ZMMSB to manufacture and market costume jewellery through a direct selling channel. In 1990, ZMMSB successfully set up agencies in all major cities in Malaysia and as at 28 February 2007, ZMMSB has 77 agencies functioning as distribution centres throughout Malaysia. ZMMSB received its direct selling licence in 1993 when the Direct Selling Act, 1993 was officially gazetted.

At the end of 1994, the operations of ZJMSB and ZMMSB were moved to our first factory located in Plot 41, Bayan Lepas Industrial Estate, Phase IV, Penang. In mid-1997, we moved into our current headquarters located in Plot 42, Bayan Lepas Industrial Estate, Phase IV, Penang which is adjacent to our first factory. In 1998, we were awarded the Enterprise 50 Award for management excellence in ZMMSB and ZJMSB.

Over the years, we have expanded our product line from being exclusively costume jewellery to include a wide range of consumer products. We continuously seek to expand our consumer product line by introducing more innovative products, which will provide wider business opportunities for our Independent Distributors and Agents. For the financial year ended 30 November 2006, we manufactured 84% of our products in our own manufacturing plants in Malaysia.

We have voluntarily submitted an application to the SC for a Syariah Compliance review to be carried out by the SAC of the SC as part of the process of determining its Syariah status at listing.

The SAC of the SC has classified the securities of our Company as Syariah-compliant based on the latest audited financial year and the Syariah criteria adopted by the SAC of the SC.

For further information on the history and businesses of our Group, please refer to Section V and VII of this Prospectus.

2. OWNERSHIP AND MANAGEMENT

The table below shows the interests of our Promoters, substantial shareholders and Directors in our Shares:

(i) Promoters

Name	Nationality	After Offer For Sale			
		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Teoh Beng Seng	Malaysian	36,317,118	10.53	⁽ⁱ⁾ 147,197,540	42.67
Teoh Meng Keat	Malaysian	20,000,000	5.80	-	-

Note:

(i) Deemed interested by virtue of his interests in PSB, SESB and ZHSB pursuant to Section 6A of the Act.

II. INFORMATION SUMMARY (CONT'D)

(ii) Substantial Shareholders

Name	Nationality / Place of incorporation	----- After Offer For Sale ----->			
		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	%	No. of Shares	%
Teoh Beng Seng	Malaysian	36,317,118	10.53	⁽ⁱ⁾ 147,197,540	42.67
Teoh Meng Keat	Malaysian	20,000,000	5.80	-	-
ZHSB	Malaysian	120,750,000	35.00	-	-
MTVTSB ⁽ⁱⁱ⁾	Malaysia	15,659,223	4.54	-	-

Notes:

- (i) Deemed interested by virtue of his interests in PSB, SESB and ZHSB pursuant to Section 6A of the Act.
- (ii) Will cease to be a substantial shareholder upon completion of the Offer For Sale. The number of Offer Shares held by MTVTSB is based on an offer price of RM1.23 per ZCB Share and assuming that MTVTSB is a public shareholder.

(iii) Directors

Name	Designation	----- After Offer For Sale ----->			
		<----- Direct ----->		<----- Indirect ----->	
		No. of Shares	%	No. of Shares	%
Haji Wan Mansoor Bin Wan Omar	Independent Non- Executive Chairman	10,000	*	-	-
Teoh Beng Seng	Group President and Chief Executive Officer	36,317,118	10.53	⁽ⁱ⁾ 147,197,540	42.67
Teoh Meng Keat	Group Managing Director	20,000,000	5.80	-	-
Khoo Teng It	Executive Director	100,000	0.03	-	-
Tan Lip Gay	Independent Non- Executive Director	10,000	*	-	-
Diong Chin Teck	Independent Non- Executive Director	10,000	*	-	-

Notes:

- (i) Deemed interested by virtue of his interests in PSB, SESB and ZHSB pursuant to Section 6A of the Act.
- * Less than 0.01%.

For further information on the interests of our Promoters, substantial shareholders and Directors in our Shares, please refer to Section VI of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

3. OUR COMPETITIVE STRENGTHS

We believe that our Group is able to achieve growth and sustainability in Malaysia and regionally as a result of the following competitive strengths:

(i) Our technical expertise in costume and fine jewellery manufacturing

We have over seventeen (17) years of experience in costume and fine jewellery manufacturing. We have a wide pool of highly skilled designers, craftsmen and skilled operators for jewellery manufacturing.

(ii) Our fully integrated manufacturing capability

We have fully integrated manufacturing facilities which allow us to achieve economies of scale, close monitoring of the quality of our products, ensure timely delivery of our products to distribution centres and control the supply of our products.

(iii) Our commitment and continuous effort in R&D

We will continue to improve our existing products and develop new products with our commitment and continuous effort in R&D.

(iv) Our established brand name and extensive distribution network

We have established a strong reputation for our brand name "ZHULIAN" in the local market as well as regional markets such as Thailand, Singapore and Indonesia. As at 28 February 2007, we have 114,750 Independent Distributors throughout Malaysia, 1,561 in Singapore, 255,482 in Thailand and 26,424 in Indonesia.

(v) Our information technology infrastructure within the distribution network

We employ the Agent Distribution System to link each agency's transactions to our corporate headquarters which allows faster data processing and increased administrative efficiency.

(vi) Our wide range of products

We offer a diverse and comprehensive range of premium products and we periodically release new products and improve our product mix. Our uncompromising commitment to stringent quality control provides our distributors and consumers with the confidence and assurance of quality control.

(vii) Our experienced and committed management team

We have an experienced and committed management team comprising our Group President and Chief Executive Officer and Group Managing Director who have seventeen (17) years of experience in our Group. The management team possesses a wide knowledge and strong experience in corporate management, MLM and manufacturing industry.

For details on our competitive strengths, please refer to Section VIII(3) of this Prospectus.

II. INFORMATION SUMMARY (CONT'D)

4. OUR FUTURE PLANS AND STRATEGIES

Our Group intends to implement the following strategies to drive our future growth:

(i) Geographical expansion

Our business is currently focused mainly in Peninsula Malaysia. We have successfully developed our direct selling business in Thailand through our appointed master agent, ZTH (which is our 49% associated company). We intend to expand our presence in Sabah and Sarawak and develop our market presence in Singapore through our subsidiary, ZSG and Indonesia through our appointed master agent, PT Zhulian. We also intend to extend our MLM distribution channel to other markets around Asia Pacific region especially Taiwan and Hong Kong through our international sponsoring programme.

(ii) Expanding our line of products

We intend to continuously improve our existing product range and create a wider range of high value products to meet increasingly diversified consumer needs and increase our competitive edge.

(iii) Expansion in capacity and capital investment

We intend to utilise part of the proceeds from the Rights Issue for construction of a new factory and purchase of new machineries. We intend to expand our existing factory located in Plot 41, Bayan Lepas Industrial Estate using our internally generated funds.

(iv) Brand management

We plan to continue to invest in product branding to increase our business strength and competitiveness.

For further details on our future plans and strategy, please refer to Section VIII(4) of this Prospectus.

5. PRINCIPAL STATISTICS RELATING TO THE OFFER FOR SALE**5.1 Share Capital**

	RM
Authorised	
1,000,000,000 ordinary shares of RM0.50 each	<u>500,000,000</u>
Issued and fully paid-up	
345,000,000 ordinary shares of RM0.50 each	<u>172,500,000</u>
To be offered pursuant to the Offer For Sale	
87,841,000 ordinary shares of RM0.50 each, reserved for Bumiputera investors approved by MITI	43,920,500
17,250,000 ordinary shares of RM0.50 each, available for application by eligible Directors, employees and business associates of our Company or subsidiaries	8,625,000
17,250,000 ordinary shares of RM0.50 each, available for application by the Malaysian public by way of public balloting	<u>8,625,000</u>
	<u>61,170,500</u>

II. INFORMATION SUMMARY (CONT'D)

We only have one (1) class of shares, namely ordinary shares of RM0.50 each. The Offer Shares rank equally in all respects with our other existing issued and paid-up ordinary shares.

For further information on the share capital of our Company, please refer to Section III of this Prospectus.

5.2 Price

Price for each Offer Share RM1.23

The market capitalisation of ZCB on the Main Board of Bursa Securities upon Listing is RM424,350,000.

6. FINANCIAL HIGHLIGHTS

6.1 Proforma Consolidated Income Statements

You should read the following summary financial data in conjunction with the full text of the Prospectus, including the Reporting Accountants' Letter on the Proforma Consolidated Financial Information of our Group as set out in Section XI(4) of this Prospectus.

Financial year ended 30 November	2004 RM 000	2005 RM 000	2006 RM 000
Revenue	216,901	245,992	225,377
Cost of sales	(72,279)	(86,744)	(84,576)
Gross profit	<u>144,622</u>	<u>159,248</u>	<u>140,801</u>
Proforma consolidated profit before depreciation, interest and R&D expenses	57,631	67,988	68,068
Depreciation	(4,539)	(4,464)	(4,408)
Interest expenses	(418)	(364)	(209)
R&D expenses	(5)	(52)	(26)
Share of profit in associated company	10	11,114	18,234
Proforma consolidated PBT	<u>52,679</u>	<u>74,222</u>	<u>81,659</u>
Taxation			
- Company and subsidiaries	(14,568)	(18,702)	(18,321)
- Associated company	(34)	(3,664)	(5,459)
	<u>(14,602)</u>	<u>(22,366)</u>	<u>(23,780)</u>
Proforma consolidated PAT	38,077	51,856	57,879
Pre-acquisition profits*	-	-	(33,403)
MI	-	-	-
Consolidated PAT and MI but before negative goodwill	38,077	51,856	24,476
Negative goodwill recognised	-	-	40,296
Consolidated PAT attributable to shareholders	<u>38,077</u>	<u>51,856</u>	<u>64,772</u>
Number of ZCB Shares assumed in issue (000) ⁽ⁱ⁾	284,451	284,451	284,451
Gross EPS (sen) ⁽ⁱⁱ⁾	18.52	26.09	28.71
Net EPS (sen) ⁽ⁱⁱⁱ⁾	13.39	18.23	20.35
Gross profit margin (%)	66.68	64.74	62.47
Net profit margin (%)	17.56	21.08	25.68

Notes:

* The pre-acquisition profits relate to profits generated during the period from 1 December 2005 to 28 April 2006, being the completion date of the acquisition of the subsidiaries by ZCB.

II. INFORMATION SUMMARY (CONT'D)

- (i) Being the number of ordinary shares assumed in issue after the Restructuring but before the Rights Issue.
- (ii) The gross EPS is computed based on the proforma consolidated PBT divided by the number of ZCB Shares assumed in issue.
- (iii) The net EPS is computed based on the proforma consolidated PAT divided by the number of ZCB Shares assumed in issue.
- (iv) There were no exceptional or extraordinary item during the financial years under review.

Our audited financial statements for the financial years under review have been reported without any qualification.

6.2 Proforma Consolidated Balance Sheets of our Group as at 30 November 2006

You should read the following summary financial data in conjunction with the full text of the Prospectus, including the Reporting Accountants' Letter on the Proforma Consolidated Financial Information of our Group as set out in Section XI(4) of this Prospectus.

	Group audited as at 30 November 2006 RM 000	After the Special Additional Dividends, the Rights Issue and its utilisation RM 000
NON-CURRENT ASSETS		
Property, plant and equipment	63,081	89,767
Land held for development	10,581	10,581
Investment in associated company	14,874	14,874
Deferred tax assets	168	168
Current Assets		
Inventories	45,885	45,885
Trade and other receivables	24,404	24,404
Tax refundable	1,628	1,628
Cash and cash equivalents	88,639	71,346
	160,556	143,263
Current Liabilities		
Trade and other payables	38,804	38,804
Borrowings	299	299
Taxation	2,534	2,534
	41,637	41,637
Net Current Assets	118,919	101,626
	207,623	217,016
Represented by:		
Share capital	142,226	172,500
Exchange fluctuation reserve	(11)	(11)
Retained profits	64,704	43,823
Shareholders' Funds	206,919	216,312
MI	76	76
Borrowings	628	628
	207,623	217,016
Number of ZCB Shares assumed in issue (000)	284,451	345,000
NTA per Share (RM)	0.73	0.63

II. INFORMATION SUMMARY (CONT'D)

6.3 Proforma Group NTA as at 30 November 2006

Proforma Group NTA (RM 000) 216,312
(after deducting estimated listing expenses of RM3 million)

Proforma Group NTA per share (RM) 0.63
(based on the enlarged issued and paid-up share capital of 345,000,000 Shares)

For further information on the proforma NTA of our Group, please refer to Section XI(4) of this Prospectus.

6.4 Consolidated Profit Forecast

You should read the following summary financial data in conjunction with the full text of the Prospectus, including the Reporting Accountants' Letter on the Consolidated Profit Forecast for the financial year ending 30 November 2007 as set out in Section XI(8) of this Prospectus.

Financial year ending 30 November	Forecast 2007 RM 000
Revenue	253,322
Consolidated PBT	88,599
Taxation	(24,731)
Consolidated PAT	63,868
Less: MI	-
Consolidated PAT and MI	63,868

<i>Based on our enlarged share capital:</i>	
Gross EPS (sen) ⁽ⁱ⁾	25.68
Net EPS (sen) ⁽ⁱⁱ⁾	18.51
<i>PE Multiples based on the Offer Price of RM1.23 per Share:</i>	
Gross PE Multiple (times) ⁽ⁱ⁾	4.79
Net PE Multiple (times) ⁽ⁱⁱ⁾	6.65
<i>Based on the weighted average of number of shares in issue:</i>	
Gross EPS (sen) ⁽ⁱ⁾	27.14
Net EPS (sen) ⁽ⁱⁱ⁾	19.57
<i>PE Multiples based on the Offer Price of RM1.23 per Share:</i>	
Gross PE Multiple (times) ⁽ⁱ⁾	4.53
Net PE Multiple (times) ⁽ⁱⁱ⁾	6.29

Notes:

- (i) Computed based on consolidated PBT of RM88.599 million over our enlarged share capital of 345 million Shares or the weighted average number of shares in issue of 326.421 million Shares.
- (ii) Computed based on consolidated PAT of RM63.868 million over our enlarged share capital of 345 million Shares or the weighted average number of shares in issue of 326.421 million Shares.

II. INFORMATION SUMMARY (CONT'D)

6.5 Dividend Forecast and Policy

It is the policy of our Directors to recommend dividends to allow shareholders to participate in the profits of our Company as well as to leave adequate reserves for future growth of our Group.

It is our Board's intention to maintain a dividend payout ratio of at least 60% of our Group's PAT in the future financial years after taking into consideration the following factors and the financial position of our Group in recommending and determining the level of dividend payments, if any, in any particular financial year or period:

- our Group's level of cash, gearing, return on equity and retained earnings;
- our Group's availability of tax credits to frank dividends;
- our Group's projected level of capital expenditure;
- our Company's investment plans; and
- our Group's working capital requirements.

We can only frank dividends out of profits of our Company and dividend income received from our subsidiaries.

Save for the Special Additional Dividends, we have not declared any dividend in respect of the financial year ended 30 November 2006. Based on our Company's consolidated PAT of RM63.868 million for the financial year ending 30 November 2007, our Directors anticipate that our Company will be in a position to propose a net dividend of 11.10 sen for the financial year ending 30 November 2007 based on the issued and paid-up share capital of 345,000,000 Shares representing a net yield of 9.02% based on the Offer Price of RM1.23 per Share.

For further information on the dividend forecast and policy of our Group, please refer to Section XI(9) of this Prospectus.

7. PROCEEDS FROM THE RIGHTS ISSUE AND THE OFFER FOR SALE

We received gross proceeds of RM32.4 million from the Rights Issue. We will use the gross proceeds to finance the construction of our new factory, purchase new machineries, increase our working capital and defray our estimated listing expenses. We have included further information on the Rights Issue and the utilisation of the proceeds arising thereon in Section V(2.6) of this Prospectus.

We will bear all expenses relating to the Restructuring and Listing such as registration fee, professional fees, SC's fee, advertising and printing expenses which are estimated to be about RM3 million. Out of this total, the estimated fees for professional services rendered by advisers and experts are RM1.2 million.

The entire gross proceeds from the Offer For Sale of RM150,479,430 shall accrue to the Offerors. They shall bear all expenses, including underwriting commission, placement fee and brokerage amounting to RM3.7 million.

II. INFORMATION SUMMARY (CONT'D)

8. RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks and investment considerations below. The following is only a summary of risks and investment considerations and is not an exhaustive list of challenges that we currently face or that may develop in the future. Additional risks may in the future have a material adverse effect on us or our Shares.

8.1 Risks relating to our business and operations

- (i) We operate in a competitive environment;
- (ii) Our business is dependent on public perception of direct selling;
- (iii) Our direct selling business is reliant on our distribution network;
- (iv) Our business is dependent on continued brand loyalty;
- (v) We may be the subject of product liability claims, complaints and negative publicity;
- (vi) We may not be able to adequately enforce or protect our intellectual property rights;
- (vii) Our manufacturing activities are dependent on the availability and price of resources;
- (viii) We are exposed to foreign exchange rate fluctuations and translation losses;
- (ix) We are dependent on our ability to retain key personnel;
- (x) We are exposed to certain operational risks; and
- (xi) We face risk in undertaking new ventures.

8.2 Risks relating to the countries in which we operate

- (i) We are subject to risks relating to economic, political, legal or social environment of the locations in which we operate; and
- (ii) Occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the business and operations of our Group.

8.3 Risks relating to an investment in our Shares

- (i) Placement of Offer Shares not subscribed by the potential Bumiputera investors to be approved by MITI into an escrow account;
- (ii) Our Shares have never been publicly traded and our Share price might be volatile;
- (iii) Our Share price may fluctuate following the Offer For Sale;
- (iv) Future sale of Shares could adversely affect the Share price;

II. INFORMATION SUMMARY (CONT'D)

- (v) Control by our existing substantial shareholders may limit your ability to influence the outcome of decisions requiring the approval of shareholders; and
- (vi) You may face risks of delay in or abortion of the Offer For Sale.

8.4 Cautionary notes regarding forward-looking statements

- (i) Our actual results may differ from future financial information set out in this Prospectus; and
- (ii) Forward-looking statements.

For further details of the risk factors, please refer to Section IV of this Prospectus.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

III. DETAILS OF THE OFFER FOR SALE

1. INTRODUCTION

This Prospectus is dated 3 April 2007.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus, together with the Application Forms, with the Registrar of Companies, who takes no responsibility for its contents.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as a prescribed security. Therefore, the Offer Shares offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with aforesaid act and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

We have made an application to Bursa Securities for the admission of ZCB to the Official List of the Main Board of Bursa Securities and for permission to deal in and the listing of and quotation for all our Shares, including the Offer Shares. As at the date of this Prospectus, the approval-in-principle by Bursa Securities is currently pending. Our Shares will be admitted to the Official List of the Main Board of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all the Offer Shares have been credited into the respective CDS accounts of the successful applicants and the notices of allotment have been despatched to them. Admission to the official list of the Main Board of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares or this Offer For Sale.

The acceptance of applications for the Offer Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation for all our Shares issued (including Offer Shares) on the Main Board of Bursa Securities. If the said permission for the listing is not granted within six (6) weeks from the date of this Prospectus (or such longer period as may be specified by the SC), provided that we are notified by Bursa Securities within the aforesaid timeframe, we will return in full, without interest, all monies paid in respect of any application accepted at your own risk. If any such monies are not repaid within fourteen (14) days after we become liable to repay it, the provision of subsection 52(2) of the Securities Commission Act 1993 shall apply accordingly.

In the case of an application by way of Application Form, you shall state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account at an ADA before making an application for the Offer Shares. Whereas for application by way of Electronic Share Application, only an applicant who has a CDS account number can make an Electronic Share Application and you shall furnish your CDS account number to the Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen at which you submit your Electronic Share Application requires you to do so. In the case of an application by way of Internet Share Application, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, your CDS account number will automatically appear in the electronic online Application Form. A corporation or institution cannot apply for the Offer Shares by way of Electronic Share Application or Internet Share Application.

Pursuant to the Listing Requirements, at least 25% of the total number of Shares for which listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of listing. We expect to meet the public shareholding requirement at the point of listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with our listing on the Main Board of Bursa Securities. In such an event, we will return in full, without interest, monies paid in respect of all applications.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

You should rely only on the information contained in this Prospectus. We or our advisers have not authorised anyone to give you any information that is different and not contained in this Prospectus. The delivery of this Prospectus and Application Forms or any documents relating to the Offer For Sale shall not, under any circumstances, constitute a representation or create any suggestion or implication that there has been no change in our affairs since the date of this Prospectus. This Prospectus has been prepared solely for the purpose of the Offer For Sale and may not be relied upon by any persons other than the applicants for the Offer For Sale.

This Prospectus does not constitute an offer, or invitation or solicitation, to subscribe for and/or purchase the Offer Shares in any jurisdiction and in any circumstance in which such an offer or invitation or solicitation is not authorised or lawful to any person to whom it is unlawful to make such an offer or invitation or solicitation. The distribution of this Prospectus and the offer of any part of the Offer Shares are subject to Malaysian laws and our advisers and we take no responsibility for the distribution of this Prospectus and the sale of the Offer Shares outside Malaysia. You are required to observe such restrictions.

You should rely on your own evaluation to assess the merits of the Offer For Sale and risk of investing in us. In considering the investment, if you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or any other professional adviser.

2. SHARE CAPITAL

	RM
Authorised	
1,000,000,000 ordinary shares of RM0.50 each	<u>500,000,000</u>
Issued and fully paid-up	
345,000,000 ordinary shares of RM0.50 each	<u>172,500,000</u>
To be offered pursuant to the Offer For Sale	
87,841,000 ordinary shares of RM0.50 each, reserved for Bumiputera investors approved by MITI	43,920,500
17,250,000 ordinary shares of RM0.50 each, available for application by eligible Directors, employees and business associates of our Company or subsidiaries	8,625,000
17,250,000 ordinary shares of RM0.50 each, available for application by the Malaysian public by way of public balloting	<u>8,625,000</u>
	<u>61,170,500</u>

The price of RM1.23 for each Offer Share is payable in full on application.

Based on the Offer Price of RM1.23 per Share, the market capitalisation of ZCB on the Main Board of Bursa Securities upon Listing is RM424,350,000.

We have only one (1) class of shares, being ordinary shares of RM0.50 each. The Offer Shares rank equally in all respects with our other existing issued and paid-up ordinary shares.

At any of our general meetings, each shareholder shall be entitled to vote in person or by proxy or by attorney and, on a show of hands, every person present who is a shareholder or representative or proxy to a shareholder shall have one (1) vote and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of our Company.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

Our shareholders shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by us as dividends and other distributions and the whole of any surplus in the event of liquidation of our Company, in accordance with our Articles of Association, subject to any special rights attached to any shares that may be issued by us in future.

3. OPENING AND CLOSING OF APPLICATIONS

Application for the Offer Shares will be accepted from 10.00 a.m. on 3 April 2007 to 5.00 p.m. on 10 April 2007 or such further date or dates as our Directors, the Underwriters and the Offerors may in their absolute discretion mutually decide. Late applications will not be accepted.

4. IMPORTANT TENTATIVE DATES

The following events are intended to take place on the following tentative dates:

Events	Dates
(i) Opening of application	3 April 2007
(ii) Closing of application	10 April 2007 at 5.00 p.m.
(iii) Tentative balloting date	12 April 2007
(iv) Tentative date of allotment	24 April 2007
(v) Tentative listing date	27 April 2007

Our Directors, the Underwriters and the Offerors may mutually decide in their absolute discretion to extend the closing date and time for applications to any later date. If they decide to extend the closing date of the applications, the dates for the balloting and allotment of the Offer Shares and listing of and quotation for all our Shares on the Main Board of Bursa Securities would be extended accordingly. We will announce any changes to the above tentative dates in widely circulated Bahasa Malaysia, English and Chinese newspapers in Malaysia.

5. PLAN OF DISTRIBUTION

The Offer For Sale is subject to the terms and conditions of this Prospectus and upon acceptance, the Offer Shares will be allocated in the following manner:

5.1 Bumiputera investors approved by MITI

We have reserved 87,841,000 of the Offer Shares for application by Bumiputera investors approved by MITI.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

5.2 Eligible Directors, employees and business associates of our Company or subsidiaries

We have made available 17,250,000 of the Offer Shares for application by eligible Directors, employees and business associates of our Company or subsidiaries.

We have allocated the Offer Shares to eligible Directors and employees based on their designation and length of service. Eligible employees must be confirmed employees of our Company and subsidiaries as at the Latest Practicable Date with a minimum of two (2) years of service.

We have also allocated the Offer Shares to business associates of our Company or subsidiaries, comprising Agents, Independent Distributors and Master Agents. The criteria for allocation for each category of business associates is determined by our Directors as follows:

- (i) The sales amount achieved by an Agent from January 2001 to December 2006.
- (ii) An Independent Distributor in Malaysia who has achieved the recognition level of at least "Sales Executive" as at 31 December 2006 and who achieved the following:
 - (a) The required amount of PV; and
 - (b) The required total number of qualified line;

for the qualifying period from January 2006 to December 2006 under the Zhulian Golden Business Plan.
- (iii) The value of contribution by our Master Agents in Thailand and Indonesia towards our Group's revenue and profitability growth.

Based on this criterion, there are 585 eligible employees and 3,831 business associates who are eligible to subscribe for the Offer Shares reserved for eligible Directors, employees and business associates.

We have allocated 130,000 Offer Shares for application by our Directors as follows:

Name	Directorship	No. of Offer Shares allocated
Haji Wan Mansoor Bin Wan Omar	Independent Non-Executive Chairman	10,000
Khoo Teng It	Executive Director	100,000
Tan Lip Gay	Independent Non-Executive Director	10,000
Diong Chin Teck	Independent Non-Executive Director	10,000
		<u>130,000</u>

We have set out the allocation to key management in Section VI of this Prospectus.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

5.3 Malaysian public

We have made available 17,250,000 of the Offer Shares for application by Malaysian citizens, companies, co-operatives, societies and institutions of which at least 30% is to be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions.

All the Offer Shares made available to the eligible Directors, employees and business associates of our Company or subsidiaries and the Malaysian public (as set out in Sections 5.2 and 5.3 above) have been fully underwritten by the Underwriters. The Offer Shares which are made available for Bumiputera investors under Section 5.1 need not be underwritten.

Any of the Offer Shares under Section 5.2 above not taken up by our eligible Directors, employees and business associates of our Company or subsidiaries will be reallocated to our other eligible Directors, employees and business associates of our Company or subsidiaries. Subsequently, any of the Offer Shares reallocated which are not taken up will be made available for application by the Malaysian public under Section 5.3 above.

The minimum number of Offer Shares to be subscribed for pursuant to the Offer for Sale is 69,105,662 Shares to meet the public spread requirement under the Listing Requirements.

The entire gross proceeds from the Offer For Sale of RM150,479,430 shall accrue to Offerors. They shall also bear all expenses of the Offer For Sale, including underwriting commission, placement fee and brokerage in relation to the Offer Shares amounting to RM3.7 million.

We will bear all expenses relating to the Restructuring and Listing such as registration fee, professional fees, SC's fee, advertising and printing expenses which are estimated to be about RM3 million. Out of this total, we estimate the fees for professional services rendered by advisers and experts to be RM1.2 million.

6. BASIS OF ARRIVING AT THE OFFER PRICE

Our Adviser and the Offerors have determined and agreed on the Offer Price after taking into account the following factors:

- (i) Our historical net EPS based on our proforma net EPS for the financial year ended 30 November 2006 of 16.78 sen computed based on the proforma consolidated PAT of RM57.879 million and our enlarged issued and paid-up capital of 345,000,000 Shares and the proforma net PE Multiple of 7.33 times;
- (ii) Our proforma consolidated NTA per share of RM0.63 as at 30 November 2006 based on the proforma NTA of our Group of RM216.312 million and our enlarged issued and paid-up capital of 345,000,000 Shares;
- (iii) Our forecast net EPS of 18.51 sen computed based on our forecast consolidated PAT of RM63.868 million for the the financial year ending 30 November 2007 and our enlarged issued and paid-up capital of 345,000,000 Shares and the forecast net PE Multiple of approximately 6.65 times for the financial year ending 30 November 2007;

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

- (iv) The PE Multiple and price to book ratio of comparable public listed companies that are involved in direct selling businesses based on their latest audited financial results available and the three (3) months weighted average market price as set out below:

Name / Listing	3 months weighted average market price as at 28 February 2007* RM	EPS RM	PE Multiple times	NTA per share RM	Price to book value ratio times
Amway (M) Holdings Berhad ⁽¹⁾ / Main Board	6.62	0.32	20.69	1.18	5.61
CNI Holdings Berhad ⁽²⁾ / Main Board	0.51	0.05	10.20	0.14	3.64
Cosway Corporation Berhad ⁽³⁾ / Main Board	1.13	0.29	3.90	1.39	0.81
Hai-O Enterprise Berhad ⁽³⁾ / Second Board	1.80	0.16	11.25	1.34	1.34
Caely Holdings Bhd ⁽²⁾ / Second Board	0.50	0.04	12.50	0.95	0.53
DXN Holdings Bhd ⁽⁴⁾ / Main Board	0.63	0.09	7.00	0.47	1.34
Liqua Health Corporation Berhad ⁽²⁾ / Main Board	0.32	(0.35)	N/a	0.23	1.39

Notes:

* Source: Bursa Securities Market Data

(1) Based on audited consolidated financial statements ended 31 August 2005.

(2) Based on audited consolidated financial statements ended 31 December 2005.

(3) Based on audited consolidated financial statements ended 30 April 2006.

(4) Based on audited consolidated financial statements ended 28 February 2006.

- (v) Our forecast net dividend yield of 9.02% for the financial year ending 30 November 2007 based on the Offer Price of RM1.23 per Share;
- (vi) Our products brand names and market reputation in the local and regional market as set out in Sections VII and VIII of this Prospectus;
- (vii) The experience of our Board and key management as set out in Section VI of this Prospectus;
- (viii) the strength of our extensive distribution network and coverage as set out in Section VII(2) of this Prospectus; and
- (ix) our future plans and prospects to drive our future growth as set out in Section VIII(4) of this Prospectus.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

Prior to the Listing, there has been no trading market for our Shares. You should take note that the market prices of our Shares upon Listing on Bursa Securities are subject to the vagaries of market forces and other uncertainties which may affect the future price of our Shares.

7. PREMIUM OVER NTA PER SHARE

Premium is the amount by which the offer price to be paid by you for an Offer Share exceeds the NTA per Share. The proforma NTA per Share of our Group as at 30 November 2006 is RM0.63, assuming the Special Additional Dividends, Rights Issue and Offer For Sale were completed as at that date and after deducting all estimated expenses relating to the Restructuring and Listing.

Based on the Offer Price at RM1.23 per Share, the Offer Price represents a premium of approximately 0.95 times over the above-mentioned proforma NTA per Share of our Group. You should note that the entire gross proceeds from the Offer For Sale will not accrue to us and therefore the premium paid will not have a positive effect on the proforma NTA per Share.

8. PURPOSE OF THE OFFER FOR SALE AND LISTING

The purpose of the Offer For Sale and Listing are as follows:

- (i) to achieve listing status for our Company;
- (ii) to enable us to enhance our reputation as a leading direct selling company through our listing status on the Main Board of Bursa Securities;
- (iii) to enable us to gain better access to the capital market to source funds for future expansion and continued growth of our Group;
- (iv) to provide an opportunity for our eligible Directors, employees and business associates and the Malaysian public to participate in our equity and future performance; and
- (v) to enable us to increase Bumiputera equity participation in our business so as to be in congruence with the aspirations of the National Development Policy/National Vision Policy.

9. BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

The Offerors will pay the brokerage fees for the Offer For Sale at the rate of one percent (1%) of the Offer Price of RM1.23 per Share in respect of successful Applications to the participating organisation of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or MIH.

The Underwriters have agreed to underwrite 34,500,000 Offer Shares which are available for the Malaysian public, eligible Directors, employees and business associates of our Company or subsidiaries. The underwriting commission and managing underwriter commission relating to the Offer Shares are payable at the rate of 1.40% and 0.25% respectively of the Offer Price of RM1.23 for each of the Offer Shares being underwritten, equivalent to a total underwriting commission of about RM0.7 million.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

The Offerors will also be paying the Lead Placement Agent a placement fee of at the rate of not more than 2.00% on the Offer Price of RM1.23 per Offer Share based on the terms and conditions of the placement agreement.

10. SALIENT TERMS OF THE UNDERWRITING AGREEMENT

An Underwriting Agreement was entered into between our Company, the Offerors, the Managing Underwriter and the Underwriters on 16 March 2007 to underwrite 34,500,000 Offer Shares ("Underwritten Shares") which are made available by the Malaysian public and eligible Directors, employees and business associates of our Company or subsidiaries. The salient terms of the Underwriting Agreement are as follows:

- (i) The several obligations of the Underwriters under the Underwriting Agreement shall further be conditional upon:
 - (a) the acceptance for registration and lodgment with the SC and the Registrar Of Companies respectively of the Prospectus together with copies of all documents required under Section 42 of the Act prior to the issuance of the Prospectus;
 - (b) the issuance of the Prospectus (including advertisement of the Prospectus and all other procedures, requirements, letters and documents required under Chapter 3 of the Listing Requirements) have been complied with within three (3) months from the date of the Underwriting Agreement or such extension as consented by all the Underwriters ("Closing Date");
 - (c) Bursa Securities agreeing in principle to the listing of and quotation for (on terms satisfactory to the Managing Underwriter) the entire issued and paid up share capital of the Company within Closing Date, and the Underwriters being reasonably satisfied that such listing of and quotation will be granted two (2) market days (or such other days as Bursa Securities may permit) after the submission to Bursa Securities of the relevant documents required for such listing of and quotation for the entire issued and paid up share capital of our Company have been accepted and the respective Shares are deposited in or transferred to the securities account maintained by the entitled shareholders under the Securities Industry (Central Depository) Act, 1991;
 - (d) there having been, as at any time hereafter up to and including the closing date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Company and subsidiaries (which in the reasonable opinion of the Underwriters are or will be material in the context of the Offer For Sale of the Offer Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement if they are repeated on and as of the Closing Date;
 - (e) the offering of the Offer Shares in accordance with the provisions thereof not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

- (f) all approvals and consents of the SC and MITI required in relation to the Offer For Sale have been obtained and are in full force and affects, and that all conditions precedent to the approvals (except for conditions precedent which can only be complied with after the Offer For Sale is completed) have been complied with;
 - (g) the Underwriters having been satisfied that arrangements have been made by our Company and the Offerors to ensure payment of the expenses pursuant to the Listing and/or underwriting;
 - (h) the delivery to the Managing Underwriter prior to the date of registration of the Prospectus of (aa) a copy certified as true copy by an authorised officer of our Company of all the resolutions of the Directors of our Company and the shareholders in general meeting approving this Agreement, the Prospectus, the Offer For Sale and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (bb) a certificate dated the date of the Prospectus signed by duly authorised officers of our Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence; and
 - (i) the delivery to the Managing Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from our Board as the Managing Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Company or subsidiaries, nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties contained in the Underwriting Agreement though they have been given and/or made on such date.
- (ii) In the event any of the conditions set forth in paragraph (i) above are not satisfied, the Underwriters or any of the Underwriters shall, subject as mentioned below, thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than three (3) market days after the Closing Date and upon such termination, the liabilities of our Company and the Underwriters shall become null and void and none of the parties shall have a claim against the other save for antecedent breaches by our Company, the liability of the Offeror for the underwriting commission and claims arising therefrom and that each party shall return any and all monies paid to the other or others under the Underwriting Agreement within seventy-two (72) hours of the receipt of such notice (except for monies paid by our Company for the payment of the expenses incidental to the Listing and underwriting and the underwriting commission pursuant to it). The Underwriters reserve the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriters' rights under the Underwriting Agreement.

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

- (iii) Notwithstanding anything therein contained, the Managing Underwriter and/or the Underwriters, acting through the Managing Underwriter may by notice in writing to our Company and the Offerors given at any time before the Closing Date (which the Underwriters is entitled to request for extension to such reasonable date as it may decide), terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if:
- (a) there is any breach by our Company and/or the Offerors of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company and/or the Offerors, or by the Closing Date, whichever is earlier; or
 - (b) there is withholding of information of a material nature from the Underwriters, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company and Offeror, which, in the opinion of the Managing Underwriter and/or Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the Offer For Sale, or the distribution or sale of the Offer Shares; or
 - (c) there shall have occurred, happened or come into effect any material and/or adverse change to the business or financial condition of our Company or our Group; or
 - (d) there shall have occurred, happened or come into effect any of the following circumstances:
 - (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Managing Underwriter and/or the Underwriters (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); or
 - (cc) any government requisition or other occurrence of any nature whatsoever which in the opinion of the Underwriters may or is likely to have a material adverse effect on the business, operation, financial condition or prospects of our Company or the success of the listing;
 - (dd) the average Kuala Lumpur Composite Index for three (3) consecutive market days falls below eight hundred fifty (850) points on or before Closing Date; or
 - (ee) imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities due to exceptional circumstances or otherwise;

III. DETAILS OF THE OFFER FOR SALE (CONT'D)

- which, (in the reasonable opinion of the Managing Underwriter and/or the Underwriters), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Company or our Group, the success of the Offer For Sale, or the distribution or sale of the Offer Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
- (e) the approval in principle of Bursa Securities for the admission of our Company to the Official List of Bursa Securities or for the listing of and quotation for the entire issued and paid-up share capital of our Company on the Main Board of Bursa Securities is withdrawn or not procured within six (6) weeks from the date of issue of the Prospectus or such other period as may be specified by the SC; or
 - (f) there is failure on the part of our Company and/or the Offerors to perform any of their respective obligations therein contained; or
 - (g) prior to the issue of the Prospectus, there is a material adverse change or material disruption in the MITI placement (as set out in Section 5.1 above) process such that in the reasonable opinion of the Managing Underwriter the condition to the approvals and consents of the SC and MITI referred in paragraph (i)(f) above will not be complied with; or
 - (h) the Prospectus has not been issued within three (3) months from the date of the Underwriting Agreement.
- (iv) Upon such notice(s) being given, the Managing Underwriter and/or the Underwriters shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company and/or the Offerors shall remain liable in respect of its obligations and liabilities thereunder including the payment of the underwriting commission pursuant to the Underwriting Agreement and the payment of the costs and expenses incidental to the Listing already incurred prior to or in connection with such termination and for the payment of any taxes, duties or levies and for any antecedent breach.

IV. RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, the risks and investment considerations below. The following is only a summary of risks and investment considerations and is not an exhaustive list of challenges that we currently face or that may develop in the future. Additional risks in the future may have a material adverse effect on us or our Shares.

1. RISKS RELATING TO OUR BUSINESS AND OPERATIONS**(i) We operate in a competitive environment**

The industry in which we operate in is highly competitive. We face competition from both foreign and local direct selling companies as well as traditional retailers such as supermarkets and convenience stores offering similar products. Some of our competitors may have significantly greater resources or advantages than us in terms of market dominance, finance, technical knowledge and human resources. In addition, emerging companies may also enter the market and introduce new products. Increased competition may result in price and revenue erosion and loss of market share, any of which could materially and adversely affect our businesses, operating results and financial condition.

Our Management believes that our Group's wide ranging products, established and extensive distribution network, good business relationships with our customers, brand name and product quality, and competitive pricing policy together with our experienced and skilled staff force, would assist our Group in maintaining and/or expanding our market share.

(ii) Our business is dependent on public perception of direct selling

We ultimately sell most of our products through the direct selling channel. As such, we are currently heavily dependent on the direct selling industry in Malaysia, Thailand, Singapore and Indonesia. The direct selling industry in these markets are governed by legislation and administered by government bodies which are responsible for the supervision of the industry and the protection of consumer rights.

We are also a member of the DSAM, while our associated company, ZTH and our Master Agent in Indonesia, PT Zhulian are members of the Thai Direct Selling Association and Asosiasi Penjualan Langsung Indonesia respectively (collectively "Direct Selling Associations") which are trade associations promoting and regulating the practices of direct selling industry in Malaysia, Thailand and Indonesia respectively. Members of Direct Selling Associations are expected to comply with regulations and practice directions issued by the respective association. However, as self-regulatory organisations, the Direct Selling Associations are unable to prevent unethical practices of sellers engaged in pyramid selling or schemes, who are not their members.

There was a significant decline in the number of direct selling licences from 712 in 2000 to 618 as at December 2006, due to the stringent status verification exercise as well as action taken against operators of get-rich-quick schemes.

(Source: Ministry of Domestic Trade and Consumer Affairs website at www.kpdnhep.gov.my, extracted on 28 February 2007 and Ninth Malaysia Plan 2006-2010, Economic Planning Unit, Prime Minister's Department).

However, there are no assurances that the public perception of the direct selling industry in Malaysia or any of the countries where we operate in will not suffer as a result of unethical direct selling practices of other companies in the future. Poor public perception of the industry may lead to lower sales and profitability for our Group.

IV. RISK FACTORS (CONT'D)

(iii) Our direct selling business is reliant on our distribution network

We distribute our products through our Independent Distributors. Thus, our revenue is dependent upon the efforts and initiatives of our Independent Distributors. Future business growth may depend on the increase in the number of Independent Distributors and/or increased productivity of these Independent Distributors. We also face competition from other direct selling companies in retaining and recruitment of Independent Distributors. If we fail to retain and/or increase the number of our Independent Distributors and/or to motivate our existing Independent Distributors to increase their productivity, we may lose our market share. This will materially and adversely affect our businesses, operating results and financial condition.

We have and will continuously refine and offer better compensation packages to attract new Independent Distributors, especially those committed in building their own business through direct selling and to retain/motivate our existing Independent Distributors. Our marketing department also organises weekly training sessions for our Independent Distributors in order to continuously motivate and educate them on the finer aspects of customer service, market segmentation and comprehensive product knowledge. New Independent Distributors are also encouraged to visit our manufacturing plant to equip themselves with the necessary knowledge on our manufacturing processes and products.

(iv) Our business is dependent on continued brand loyalty

Brand name plays an important role in our industry. Our business involving various consumer products is dependent on the goodwill associated with our brand names. Consumers buy a product of an established brand name due to certain factors associated with the brand name such as taste and quality. Therefore, if the perception of the consumers on our brand names changes or there is an unfavourable publicity relating to our brand names, our market share may be affected. To maintain our brand names, our Management constantly reviews and improve on the quality of our products and embarks on various promotional and marketing activities.

(v) We may be the subject of the product liability claims, complaints and negative publicity

We manufacture and market a range of personal care, home care, nutritional, F&B products which may come into contact with, or be used on, the human body. Consumers who use our products may develop allergic or other adverse reactions despite our safety and quality control and testing. If end-consumers suffer any damage, injury, illness or other adverse reactions as a result of using our products, we may face product liability actions and other legal claims. In such events, we may have to compensate our customers or expend significant amounts on litigation. Any complaints or product liability claims by consumers may also affect confidence in our brands and products. In the event that we are required to compensate our consumers, our corporate image, financial conditions and results of operations may be adversely affected.

Our R&D department provides regular testing of products submitted by various departments in the production process. Series of tests are conducted to ensure our products are safe for consumption and of high quality. We have also formed an alliance with USM on product development.

We are not required under the laws and regulations of the countries in which we operate to take out insurance in respect of product liability. Nevertheless, we have taken up product liability insurance policies in Malaysia, Thailand, Singapore and Indonesia for our operations. However, our insurance may not be sufficient to cover all of our potential losses. In the event such losses exceed the insurance coverage or are not covered by the insurance policies we have taken up, we may be liable to cover the excess amounts or the amounts claimed (as the case may be).

IV. RISK FACTORS (CONT'D)

(vi) We may not be able to adequately enforce or protect our intellectual property rights

As our Group relies heavily on consumer brand awareness and brand recognition in the sales of our products, our trademarks are important and of considerable value to us. Therefore, it is important that we protect our brand names and designs by registering them through the proper legal protocols, in order to fall under the protection of the prevailing laws and regulations on trademarks, industrial design, patents and copyrights. We have to-date, applied and obtained registration of our "ZHULIAN" trademark in Malaysia, Singapore, PR China, Indonesia, Taiwan, Hong Kong, Australia, Thailand, New Zealand, Japan and Philippines. In addition, we have also registered trademarks for "Beyond Water", "XTRA", "TropikQuick", "Klassic" and "D'Sashay fashion jewellery" in Malaysia and "B'Younk" in Thailand.

To protect our intellectual property rights, we rely on the enforcement of relevant laws relating to intellectual property rights in countries we operate in. However, there are no assurances that these measures will be effective in preventing any misappropriation of our trademarks or that competitors will be prevented from adopting product names and trademarks which are similar to those belonging to our Group.

It is costly to register trademarks and to maintain the validity of these registered trademarks in various countries. In addition, there are no guarantees that a new product brand will be a success, while any delay in registering trademarks for our new products will expose us to potential loss of intellectual property rights should competitors register the trademarks before we do. Nevertheless, we will try as far as possible to register the trademarks and/or design rights of our new products/brand name after taking into consideration of the commercial viability of our new products/brand name.

(vii) Our manufacturing activities are dependent on the availability and price of resources

ZJMSB, ZISB, ZMFSB, BPTSB and ZPISB are our subsidiaries involved in manufacturing of our products and require a wide range of raw materials for their production processes. Prices of some raw materials such as gold and silver used in jewellery production and paper in printing are volatile and are determined by market forces that are beyond our control. In the production of nutritional supplements and F&B products, the uninterrupted and timely supply of raw materials of high quality is crucial for us to maintain the quality of our products.

In addition, ZJMSB relies heavily on the supply of skilled craftsmen especially in areas such as jewellery design, model making, engraving and stone setting, and is also dependent on the supply of clean water, which is used for the electroplating process of jewellery.

It is crucial that the continued supply of these resources is available to us at competitive prices and are of consistent quality. Our profitability may be affected if we experience shortages of quality resources and/or increase in the prices of resources resulting in an increase in production costs which cannot be passed on to our customers through an increase in selling prices.

Our Management has extensive experience in purchasing raw materials and is well versed with the market trends of raw materials. We have a wide supplier base for our raw materials. This reduces the risk of unexpected disruption in the supply of raw materials from any particular source. We also diversify our purchases of raw material from various suppliers who have demonstrated their ability to supply the required resources in a reliable and timely manner. We are also confident that our long-term relationships with our suppliers will enable us to secure sufficient and reliable supply of raw materials in the ordinary course of business activities.

IV. RISK FACTORS (CONT'D)

To maintain a skilled workforce at all times, ZJMSB has an in-house training programme to train unskilled workers in the areas of jewellery design and production. Our Management believes that the training provided by ZJMSB has minimised the shortages of skilled workers. We also endeavour to maintain a competitive compensation plan for our workforce, which has been successful thus far, as reflected in ZJMSB's relatively low employee turnover.

In addition, our Management has contingency plans in place to overcome the possibility of water shortages. Currently, ZJMSB has water tanks with the capacity to fulfil water requirements for two (2) full days.

(viii) We are exposed to foreign exchange rate fluctuations and translation losses

Our products sold to ZTH, ZSG and PT Zhulian are denominated solely in USD, whilst ZTH and ZSG's revenue are denominated in THB and SGD respectively. Our purchases are predominantly denominated in RM. As at 30 November 2006, 83% of our purchases are denominated in RM, while 17% are in foreign currencies, mainly USD.

Thus, any fluctuation in the foreign exchange rate of these currencies may have an adverse effect on the financial performance of our Group.

In addition, we also face translation risk upon the consolidation of financial results of ZSG and upon the reporting of our share of profit from ZTH, as our reporting currency is RM. Translation risk is the risk of changes in the accounting results of foreign operations due to changes in foreign exchange rates.

Currently, our Management does not actively employ hedging policies against its foreign exchange exposure. However, future expansion of our Group's foreign operations will increase foreign exchange risk faced by our Group. We will, if deemed necessary by our Board, enter into foreign currency forward contracts or other hedging instruments to hedge against adverse foreign currency movements.

(ix) We are dependent on our ability to retain key personnel

Our success depends to a significant extent upon the continued employment and performance of our key personnel. The loss of any such key personnel may have a material adverse effect on our operations and performance. Our future success will to a large extent depend on our ability to retain key personnel and also our ability to attract and retain highly skilled technical, managerial and marketing personnel. Competition for such skilled personnel is intense.

We have taken appropriate measures to attract and retain such skilled personnel such as providing adequate compensation, incentives, training and development programmes and medical benefits to them.

(x) We are exposed to certain operational risks

Our Group is exposed to certain operational risks, which include but are not limited to, industrial hazards, fire outbreaks, disruption of information technology systems and/or electricity supply which could adversely affect our business operations.

In addressing these risks, we have formed an Occupational Safety and Health Committee comprising management and workers representatives entrusted with the duty of identifying potential sources of industrial hazard, evaluating and performing security checks on the factories and ensuring security and safety policies and control system are adhered to so as to achieve an accident-free working environment. In addition, we have also taken precautionary steps by installing fire hydrants and/or sprinkler system in all premises.

IV. RISK FACTORS (CONT'D)

In addition, our Directors believe that our Group has adequate insurance coverage on, inter-alia, loss or damage of factory buildings, plant and machinery, stocks and office equipment, and any other consequential loss resulting from fire outbreak.

However, no assurance can be given that even with the existing risk management practices in place, our business operations will not be affected in the event of a fire and energy crisis. We have not experienced any material disruption in operations which had a significant effect on our financial performance for the past twelve (12) months prior to the date of this Prospectus.

(xi) We face risk in undertaking new ventures

In 2005, we decided to venture into property development and construction activities through ZDSB, ZCSB and ZVSB as set out in Section VII(2.5) of this Prospectus. ZDSB and ZVSB are our wholly-owned subsidiaries, while ZCSB is a 62% held subsidiary of ZDSB. Currently, our property development activities are undertaken by ZDSB while ZCSB and ZVSB are dormant.

Property development and construction represents a new area of business which we do not have vast expertise or experience in. The property development and construction sector are subject to various risks such as sustainability of income throughout the project period of the ongoing projects, changes in demand by buyers, adequate supply of labour and building materials, variation in cost of building materials, financing to undertake the property development projects, weather conditions and competition from other property developers and contractors. The timely completion of the property development projects undertaken by our Group is also dependent on factors including obtaining the requisite licences, permits or regulatory approvals on schedule.

There are no assurances that any property development projects undertaken by us will generate favourable returns. However, our Board does not expect future contribution from our property development and construction activities to be material to our Group compared to the expected contribution from our existing core businesses.

2. RISKS RELATING TO COUNTRIES IN WHICH WE OPERATE

(i) We are subject to risks relating to economic, political, legal or social environments of the locations in which we operate

Our Group's business operations are predominantly in Malaysia and Singapore. In addition, we also appointed PT Zhulian and ZTH as our Master Agents to distribute our products in Indonesia and Thailand respectively. Our future performance is dependent on the political, economic and regulatory and social conditions of these countries. Any economic slowdown, changes in political leadership, changes in policies implemented by the governments of these countries, currency and interest rates fluctuations, capital restrictions and changes in duties and taxation that are detrimental to our business could materially and adversely affect our operations, financial performance and future growth.

IV. RISK FACTORS (CONT'D)

(ii) Occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the business and operations of our Group

Acts of God such as natural disasters are beyond the control of our Group and may materially and adversely affect the economy, infrastructure and livelihood of the local population. Our Group's business and profitability may be materially and adversely affected should such acts of Gods occur. War, terrorist attacks and other hostilities may cause damage or disruption to the operations of our Group. There can be no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on our business, financial condition and results of operations.

3. RISKS RELATING TO AN INVESTMENT IN OUR SHARES**(i) Placement of Offer Shares not subscribed by the potential Bumiputera investors to be approved by MITI into an escrow account**

CIMB, on behalf of our Company, had on 16 August 2006 sought an approval from MITI and SC (on behalf of FIC) respectively to temporarily place the remaining Offer Shares not taken up by Bumiputera investors into an escrow account to be opened by an independent agent to be appointed. These Offer Shares will be placed in the escrow account until such time that they are fully placed out to Bumiputera investors to be identified and approved by MITI. An approval was also sought from MITI and SC (on behalf of FIC) respectively for an extension of time of up to one (1) year from the date of the listing and quotation for ZCB Shares in the event that the Offer Shares are not fully subscribed by the Bumiputera investors by the closing date of the Offer For Sale.

The SC (on behalf of the FIC) had on 11 October 2006 approved the placement of the remaining Offer Shares not taken up by Bumiputera investors into an escrow account and an extension of time of one (1) year from the date of the listing for ZCB Shares to be placed to Bumiputera investors to be approved by MITI. The MITI had also on 12 March 2007 approved the placement of up to a maximum of 52,598,338 Offer Shares not subscribed by Bumiputera investors into the escrow account within a period of twelve (12) months from the date of our listing. The said Offer Shares must be placed out to Bumiputera investors to be approved by MITI after our Listing.

In view of the above, the placement of any ZCB Shares not fully subscribed by Bumiputera investors to be approved by MITI in the escrow account may lead to potential risk of additional shares supply to the market that could limit the potential upside of ZCB Shares upon Listing.

IV. RISK FACTORS (CONT'D)

(ii) Our Shares have never been publicly traded and our Share price might be volatile

There is currently no prior trading market for our Shares. There can be no assurance as to the trading liquidity that may develop for our Shares, the ability of the holders to sell their Shares or the prices at which holders would be able to sell their Shares.

The Offer Price was arrived at after taking into consideration, inter-alia, our financial and operating history and conditions, our future prospects and the prospects of the industry in which we operates in, the prevailing market conditions at the time of the Offer For Sale and our financial position, future financial results and dividends policy. The Offer Price may not be indicative of prices that may prevail in the trading market after the Offer For Sale. In recent years, the stock market in general, and the market for the securities of many companies in particular, has experienced volatile price movements which have often been unrelated to the operating performance of such companies. Such fluctuations may adversely affect the market price of our Shares.

(iii) Our Share price may fluctuate following the Offer For Sale

The market price of the Shares may fluctuate as a result of, among others, the following factors, some of which are beyond our control:

- variations in our operating and financial results;
- changes in securities analysts' estimates of our financial performance;
- announcements by us of significant acquisitions, strategic alliances or joint ventures;
- additions or departures of key personnel;
- fluctuations in stock market prices and volume;
- involvement in litigation; and
- general economic and stock market conditions.

(iv) Future sale of Shares could adversely affect the Share price

Any future sale or availability of our Shares can have an adverse effect on our Share price. The sale of a significant amount of our Shares in the public market after the Offer For Sale, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to raise funds from the issue of additional equity securities.

Three (3) of our shareholders, namely Teoh Beng Seng, Teoh Meng Keat and ZHSB directly and indirectly who will own in aggregate 203,514,658 Shares or approximately 59% of our issued share capital upon completion of the Offer For Sale.

If our shareholders sell, or are perceived to sell, substantial amounts of Shares in the public market following our Listing, the market price of our Shares could fall.

IV. RISK FACTORS (CONT'D)

(v) Control by our existing substantial shareholders may limit your ability to influence the outcome of decisions requiring the approval of shareholders

Upon the completion of the Offer For Sale, Teoh Beng Seng, Teoh Meng Keat and ZHSB will directly and indirectly hold an aggregate of 59% of our issued and paid-up share capital. Collectively, they have the capability to decide the outcome of certain matters requiring shareholders' approval, including election of Directors and approval of certain corporate exercises or other business transactions, unless they are required to abstain from voting by law, rules of the Listing Requirements and/or the relevant authorities. The interests of Teoh Beng Seng, Teoh Meng Keat and ZHSB may differ or conflict with your interest.

(vi) You may face risks of delay in or abortion of the Offer For Sale

The occurrence of certain events, including the following, may cause a delay or abortion of our Listing:

- (a) the Bumiputera investors approved by the MITI fail to take up the portion of Offer Shares allocated to them;
- (b) the eligible Directors, employees and business associates fail to take up the portion of Offer Shares allocated to them;
- (c) the Underwriters fail to honour their obligations under the Underwriting Agreement in the event of under-subscription; and/or
- (d) we are unable to meet the public spread requirement, that is at least 25% of the total number of Shares for which listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of Listing.

4. CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS

(i) Our actual results may differ from future financial information set out in this Prospectus

Our consolidated profit forecast for the financial year ending 30 November 2007 is set out in Section XI(5) of this Prospectus. The consolidated profit forecast is based on assumptions made by our Directors and are presented on a basis consistent with the accounting policies to be adopted by our Group. Furthermore, it reflects the current judgement of our Directors regarding the expected conditions and our expected course of action, which is subject to change.

The consolidated profit forecast is based on a number of assumptions which are inherently subject to significant uncertainty due to factors including, but not limited to, those identified in as stated in Sections 1 and 2 above. Many of these factors are not within our control and some of the assumptions with respect to future business decisions and strategies are subject to change. Our actual results may differ from such forecast and such differences may be material and may affect the market price of our Shares and any dividend that may be contemplated.

The consolidated profit forecast should be reviewed in conjunction with the description of our business, our historical financial information and other material contained in this Prospectus, including information included in Section IV of this Prospectus.

IV. RISK FACTORS (CONT'D)

(ii) Forward-looking statements

This Prospectus includes forward-looking statements. All statements other than statements of historical fact, including without limitation, those regarding our financial position, business strategies, plans and objectives of our Management for our future operations, are forward-looking statements. Such forward-looking statements are made based on assumptions which our Management believes to be reasonable as at the date hereof. Forward-looking statements can be identified by the use of forward-looking terminology such as words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts.

We expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which such statement is based.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

V. INFORMATION ON OUR GROUP

1. INCORPORATION

We were incorporated in Malaysia on 2 January 1997 under the Act as a private limited company under the name of Zhulian Corporation Sdn Bhd. On 28 February 1997, our Company was converted into a public limited company and assumed our present name. The principal activity of our Company is investment holding while the principal activities of our subsidiaries and associated company are set out in Section V(4) of this Prospectus.

2. SHARE SPLIT, IASC, SPECIAL DIVIDENDS, SPECIAL ADDITIONAL DIVIDENDS, RESTRUCTURING, RIGHTS ISSUE AND LISTING

In conjunction with, and as an integral part of the Listing of our Shares on the Main Board of Bursa Securities, we will be undertaking a restructuring exercise which involved/ will involve the following:

2.1 Share Split

We undertook a share split which involved the sub-division of the par value of our ordinary shares of RM1.00 each into ordinary shares of RM0.50 each. Upon completion of the Share Split, our issued and paid-up share capital was revised from RM2 comprising 2 ordinary shares of RM1.00 each to RM2 comprising 4 ordinary shares of RM0.50 each.

The Share Split was completed on 28 April 2006.

2.2 IASC

We also revised our authorised share capital from RM100,000 comprising 200,000 ordinary shares of RM0.50 each to RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each.

The IASC was completed on 28 April 2006.

2.3 Dividends**2.3.1 Special Dividends**

Prior to the implementation of the Restructuring, certain of our subsidiaries had on 21 April 2006 declared and paid a special dividend out of profits earned during the financial year ended 30 November 2005, details of which are as follows:

Name of company	Special Dividends RM 000
ZMMSB	19,940
ZISB	12,880
ZJMSB	9,340
ZMSB	790
ZPISB	600
Total	43,550

The Special Dividends were completed on 21 April 2006.

V. INFORMATION ON OUR GROUP (CONT'D)

2.3.2 Special Additional Dividends

Prior to the implementation of the Offer For Sale, we had declared and paid another net special dividends of RM20 million to our existing shareholders based on our Group's post-acquisition profits receivable as dividend income from our subsidiaries from 29 April 2006 to 30 November 2006.

The Special Additional Dividends was completed on 23 March 2007.

Based on the proforma consolidated balance sheets of our Group for the financial year ended 30 November 2006, our Group has a cash and cash equivalents of RM70.226 million after the payment of the Special Additional Dividends. Our Directors believe the cash and cash equivalent balance is sufficient for our Group's future working capital and expansion needs.

2.4 Acquisitions

2.4.1 ZJMSB Acquisition

We acquired the entire issued and paid-up capital of ZJMSB comprising 10,000,000 ZJMSB Shares from Teoh Beng Seng, Teoh Meng Keat, Ng Suan Choo, SESB, ZHSB and MTVTSB for a purchase consideration of RM63,802,035 which was satisfied by the issuance of 127,604,070 new Shares credited as fully paid-up at its par value.

The purchase consideration of RM63,802,035 was arrived at based on the NTA of ZJMSB and its subsidiaries based on the audited consolidated financial statements of ZJMSB and its subsidiaries as at 30 November 2004 of RM63,802,035.

The number of new Shares issued to the shareholders of ZJMSB are as follows:

Shareholder	No. of ZJMSB Shares held	% held	Consideration paid RM	No. of new Shares issued
Teoh Beng Seng ^o	2,716,345	27.16	17,330,834	34,661,668
Teoh Meng Keat	824,022	8.24	5,257,428	10,514,856
Ng Suan Choo	97,012	0.97	618,956	1,237,913
SESB	500,000	5.00	3,190,102	6,380,203
ZHSB	4,500,000	45.00	28,710,916	57,421,831
MTVTSB	1,362,621	13.63	8,693,799	17,387,599
	<u>10,000,000</u>	<u>100.00</u>	<u>63,802,035</u>	<u>127,604,070</u>

2.4.2 ZISB Acquisition

We acquired the entire issued and paid-up capital of ZISB comprising 300,000 ZISB Shares from Teoh Beng Seng, PSB, Teoh Meng Soon, Teoh Meng Lee, Teoh Meng Keat and ZHSB for a purchase consideration of RM35,873,175 which was satisfied by the issuance of 71,746,350 new Shares credited as fully paid-up at its par value.

V. INFORMATION ON OUR GROUP (CONT'D)

The purchase consideration of RM35,873,175 was arrived at based on the NTA of ZISB and its subsidiaries based on the audited consolidated financial statements of ZISB and its subsidiaries as at 30 November 2004 of RM35,873,175.

The number of new Shares issued to the shareholders of ZISB are as follows:

Shareholder	No. of ZISB Shares held	% held	Consideration paid RM	No. of new Shares issued
Teoh Beng Seng	164,290	54.76	19,645,347	39,290,693
PSB	34,100	11.37	4,077,584	8,155,168
Teoh Meng Soon	3,410	1.14	407,758	815,517
Teoh Meng Lee	3,410	1.14	407,758	815,517
Teoh Meng Keat	25,590	8.53	3,059,982	6,119,964
ZHSB	69,200	23.06	8,274,746	16,549,491
	300,000	100.00	35,873,175	71,746,350

2.4.3 ZMMSB Acquisition

We acquired the entire issued and paid-up capital of ZMMSB comprising 3,000,000 ZMMSB Shares from Teoh Beng Seng, Teoh Meng Keat, SESB, ZHSB and MTVTSB for a purchase consideration of RM36,528,231 which was satisfied by the issuance of 73,056,462 new Shares credited as fully paid-up at its par value.

The purchase consideration of RM36,528,231 was arrived at based on the adjusted NTA of ZMMSB, its subsidiaries and associated company of RM36,528,231 based on the audited consolidated financial statements of ZMMSB, its subsidiaries and associated company as at 30 November 2004 of RM36,528,231 after adjusting for the following transactions which were completed subsequent to 30 November 2004:

- (i) the subscription by ZMMSB of 99,998 ZVSB Shares at its par value ("ZVSB Subscription");
- (ii) the acquisition by ZDSB of 20,000 ZCSB Shares from Khoo Teng It for a cash consideration of RM20,000 ("Acquisition of 10% in ZCSB");
- (iii) the acquisition by ZDSB of the entire issued and paid-up share capital of AVSB for a cash consideration of RM2 ("AVSB Acquisition"); and
- (iv) the acquisition by ZDSB of the entire issued and paid-up share capital of DSB for a cash consideration of RM2 ("DSB Acquisition").

V. INFORMATION ON OUR GROUP (CONT'D)

The number of new Shares issued to the shareholders of ZMMSB are as follows:

Shareholder	No. of ZMMSB Shares held	% held	Consideration paid RM	No. of new Shares issued
Teoh Beng Seng	975,507	32.52	11,877,849	23,755,697
Teoh Meng Keat	244,453	8.15	2,976,479	5,952,957
SESB	299,998	10.00	3,652,799	7,305,598
ZHSB	1,049,993	35.00	12,784,795	25,569,591
MTVTSB	430,049	14.33	5,236,309	10,472,619
	<u>3,000,000</u>	<u>100.00</u>	<u>36,528,231</u>	<u>73,056,462</u>

2.4.4 ZDSB Acquisition

We acquired the remaining 500,000 ZDSB Shares representing 47.62% equity interest in ZDSB not held by ZMMSB from Teoh Beng Seng and Teoh Meng Keat for a purchase consideration of about RM327,216 which was satisfied via the issuance of 654,431 new Shares credited as fully paid-up at its par value.

The purchase consideration of about RM327,216 was arrived at based on the adjusted NTA of ZDSB and its subsidiaries of about RM687,153 based on the audited consolidated financial statement of ZDSB and its subsidiaries as at 30 November 2004 after adjusting for the Acquisition of 10% in ZCSB, AVSB Acquisition and DSB Acquisition.

The number of new Shares issued to Teoh Beng Seng and Teoh Meng Keat are as follows:

Shareholder	No. of ZDSB Shares held	% held	Consideration paid RM	No. of new Shares issued
Teoh Beng Seng	455,251	43.36	297,931	595,861
Teoh Meng Keat	44,749	4.26	29,285	58,570
	<u>500,000</u>	<u>47.62</u>	<u>327,216</u>	<u>654,431</u>

2.4.5 ZMSB Acquisition

We acquired the entire issued and paid-up capital of ZMSB comprising 100,000 ZMSB Shares from Teoh Beng Seng and Teoh Meng Keat for a purchase consideration of RM3,622,367 which was satisfied by the issuance of 7,244,734 new Shares credited as fully paid-up.

The purchase consideration of RM3,622,367 was arrived at based on the NTA of ZMSB and its subsidiary based on the audited consolidated financial statements of ZMSB and its subsidiary as at 30 November 2004 of RM3,622,367.

V. INFORMATION ON OUR GROUP (CONT'D)

The number of new Shares issued to the shareholders of ZMSB are as follows:

Shareholder	No. of ZMSB Shares held	% held	Consideration paid RM	No. of new Shares issued
Teoh Beng Seng	91,470	91.47	3,313,379	6,626,758
Teoh Meng Keat	8,530	8.53	308,988	617,976
	100,000	100.00	3,622,367	7,244,734

2.4.6 ZPISB Acquisition

We acquired the issued and paid-up capital of ZPISB comprising 100,000 ZPISB Shares from Teoh Beng Seng, Teoh Meng Keat and P'ng Swee Guan for a purchase consideration of RM2,072,698 which was satisfied by the issuance of 4,145,396 new Shares credited as fully paid-up.

The total purchase consideration of RM2,072,698 was arrived at based on the NTA of ZPISB based on the audited financial statement of ZPISB as at 30 November 2004 of RM2,072,698.

The number of new Shares issued to the shareholders of ZPISB are as follows:

Shareholder	No. of ZMSB Shares held	% held	Consideration paid RM	No. of new Shares issued
Teoh Beng Seng	51,470	51.47	1,066,818	2,133,635
Teoh Meng Keat	8,530	8.53	176,801	353,602
P'ng Swee Guan	40,000	40.00	829,079	1,658,159
	100,000	100.00	2,072,698	4,145,396

2.4.7 ZPSB Acquisition

We acquired the entire issued and paid-up capital of ZPSB comprising two (2) ZPSB Shares from Teoh Beng Seng and Teoh Meng Keat for a cash consideration of RM1 per ZPSB Share. The purchase consideration of RM2 represents a nominal sum paid for ZPSB as ZPSB has net liabilities of RM3,209 as at 30 November 2004.

2.4.8 SNDSB Acquisition

We acquired the entire issued and paid-up capital of SNDSB comprising two (2) SNDSB Shares from Teoh Beng Seng and Teoh Meng Keat for a cash consideration of RM1 per SNDSB Share. The purchase consideration of RM2 is a nominal sum paid for SNDSB as SNDSB has net liabilities of RM3,146 as at 30 November 2004.

The Acquisitions were completed on 28 April 2006.

V. INFORMATION ON OUR GROUP (CONT'D)

Upon the completion of the Acquisitions, our issued and paid-up share capital increased from RM2 comprising four (4) ZCB Shares to approximately RM142,225,724 comprising 284,451,447 ZCB Shares.

2.5 Transfers

After the Acquisitions, our subsidiaries were restructured via the Transfers as follows:

2.5.1 Transfer of BPTSB, ZMFSB and DISB

ZJMSB's entire shareholdings in its wholly-owned subsidiaries, namely BPTSB, ZMFSB and DISB were transferred to us for a cash consideration of RM1,200,000. The consideration for the transfers was arrived at based on ZJMSB's cost of investment in BPTSB, ZMFSB and DISB as at 30 November 2004 as follows:

	RM
BPTSB	100,000
ZMFSB	1,000,000
DISB	100,000
	<u>1,200,000</u>

2.5.2 Transfer of MSSB and ZNSB

The transfer of MSSB and ZNSB shall entail the following:

- (i) ZISB's entire shareholding in its wholly-owned subsidiary, MSSB was transferred to us for a cash consideration of RM100,000. The purchase consideration for the transfer was arrived at based on the cost of investment of ZISB in MSSB as at 30 November 2004 of RM100,000.
- (ii) The transfer of ZNSB involved the following:
 - (a) ZISB's entire shareholdings in ZNSB comprising 199,998 ZNSB Shares was transferred to us for a cash consideration of RM199,998. The purchase consideration was arrived at based on the cost of investment of ZISB in ZNSB as at 30 November 2004 of RM199,998; and
 - (b) the entire shareholdings of Teoh Beng Seng and Teoh Meng Keat in ZNSB comprising one (1) ZNSB Share each was transferred to us at a nominal cash consideration of RM1.00 per ZNSB Share.

2.5.3 Transfer of ZDSB and ZVSB

- (i) ZMMSB's entire shareholdings of 550,000 ZDSB Shares representing the remaining 52.38% equity interest in ZDSB was transferred to us for a cash consideration of RM550,000. The purchase consideration for the transfer was arrived at based on cost of investment of ZMMSB in ZDSB as at 30 November 2004 of RM550,000.

V. INFORMATION ON OUR GROUP (CONT'D)

- (ii) The transfer of ZVSB involved the following:
- (a) ZMMSB's entire shareholdings in ZVSB comprising 99,998 ZVSB Shares was transferred to our Company for a cash consideration of RM99,998. The purchase consideration was arrived at based on the cost of investment of ZMMSB in ZVSB based on the audited financial statements of ZMMSB for the financial year ended 30 November 2004 after taking into account the ZVSB Subscription; and
- (b) the entire shareholdings of Teoh Beng Seng and Teoh Meng Keat in ZVSB comprising one (1) ZVSB Share each to us at a nominal cash consideration of RM1.00 cash per ZVSB Share.

The Transfers were completed on 28 April 2006.

2.6 Rights Issue

Upon completion of the Restructuring, we implemented a rights issue of 60,548,553 new Shares at an issue price of RM0.535 per ZCB Share on the basis of about 0.213 new ZCB Share for every one (1) existing ZCB Share held after the Restructuring.

In conjunction with the Rights Issue, certain shareholders of ZCB renounced their entitlements as follows:

MTVTSB renounced all its entitlements to:	No. of Shares
Teoh Beng Seng	5,258,440
Teoh Meng Keat	671,908
	<u>5,930,348</u>
SESB renounced part of its entitlements to:	No. of Shares
Teoh Meng Soon	10,891
Teoh Meng Lee	10,891
PSB	108,917
ZHSB	20,732
	<u>151,431</u>

We will utilise the total gross proceeds arising from the Rights Issue of RM32,393,476 as follows:

Description	RM
Construction of a new factory	23,686,000
Purchase of machineries	3,000,000
Working capital	2,707,476
Defray estimated listing expenses	3,000,000
	<u>32,393,476</u>

Our plans for the construction of a new factory and purchase of new machineries are to increase our current production capacity. We have purchased a parcel of land located at P.T. No. 1704 Mukim 12, Daerah Barat Daya Pulau Pinang for the purpose of constructing our new factory. We expect to commence construction by the second quarter of financial year ending 30 November 2007. In addition, we intend to purchase new machineries by late 2007 for our new factory. We expect the new factory to be operational beginning of 2008.

V. INFORMATION ON OUR GROUP (CONT'D)

The Rights Issue was completed on 23 March 2007.

Upon the completion of the Rights Issue, our issued and paid-up share capital further increased to RM172,500,000 comprising 345,000,000 ZCB Shares.

Upon completion of the Share Split, IASC, Special Dividends, Special Additional Dividends, Restructuring and Rights Issue, our entire enlarged issued and paid-up share capital of RM172,500,000 comprising 345,000,000 ZCB Shares will be listed and quoted on the Main Board of Bursa Securities.

3. SHARE CAPITAL

The present authorised share capital of our Company is RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each. Upon completion of the Share Split, IASC, Special Dividends, Special Additional Dividends, Restructuring and Rights Issue, the issued and paid-up share capital of our Company is RM172,500,000 comprising 345,000,000 ordinary shares of RM0.50 each. As the date of this Prospectus, neither our Company nor our subsidiaries and associated company has any outstanding warrants, options, convertible securities or uncalled capital.

Details of the changes in the issued and paid-up share capital of our Company since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Par value RM	Consideration	Total issued and paid-up share capital RM
02.01.1997	2	1.00	Subscribers' shares (Cash)	2.00
28.04.2006	4	0.50	Share split of one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each	2.00
28.04.2006	127,604,070	0.50	ZJMSB Acquisition	63,802,037.00
28.04.2006	71,746,350	0.50	ZISB Acquisition	99,675,212.00
28.04.2006	73,056,462	0.50	ZMMSB Acquisition	136,203,443.00
28.04.2006	654,431	0.50	ZDSB Acquisition	136,530,658.50
28.04.2006	7,244,734	0.50	ZMSB Acquisition	140,153,025.50
28.04.2006	4,145,396	0.50	ZPISB Acquisition	142,225,723.50
23.03.2007	60,548,553	0.50	Rights Issue (Cash)	172,500,000.00

V. INFORMATION ON OUR GROUP (CONT'D)

4. SUBSIDIARIES AND ASSOCIATED COMPANY

As at the date of this Prospectus, our subsidiaries and associated company are as follows:

Name/ (Company No.)	Date and place of incorporation	Issued and paid-up capital (RM)	Effective interest %	Principal activities
Manufacturing				
ZJMSB (183361-U)	20.06.1989; Malaysia	10,000,000	100.00	Manufacturing of costume and fine jewellery
ZMFSB (392763-V)	03.07.1996; Malaysia	1,000,000	100.00	Manufacturing of bedroom apparels and therapeutic products
ZISB (304448-X)	14.06.1994; Malaysia	300,000	100.00	Manufacturing of consumer products
BPTSB (386717-K)	09.05.1996; Malaysia	100,000	100.00	Manufacturing of water treatment system and its related products
ZNSB (644402-D)	04.03.2004; Malaysia	200,000	100.00	Dormant
ZPISB (216788-X)	09.05.1991; Malaysia	100,000	100.00	Printing of brochures, leaflets, catalogues, name cards and other related documents
Marketing, Trading and Management Services				
ZMMSB (186058-T)	28.08.1989; Malaysia	3,000,000	100.00	Direct marketing of costume jewellery and consumer products
ZTH ((3) 1207/2539)	14.06.1996; Thailand	THB20,000,000	49.00	Direct marketing of costume jewellery and consumer products
MSSB (389011-A)	30.05.1996; Malaysia	100,000	100.00	Trading of consumer products
ZMSB (374415-M)	18.01.1996; Malaysia	100,000	100.00	Provision of management services and investment holding
ZSG (200105275R)	08.08.2001; Singapore	SGD100,000	100.00	Direct marketing of all kinds of costume jewellery and consumer products
DISB (375186-D)	24.01.1996; Malaysia	100,000	100.00	Dormant

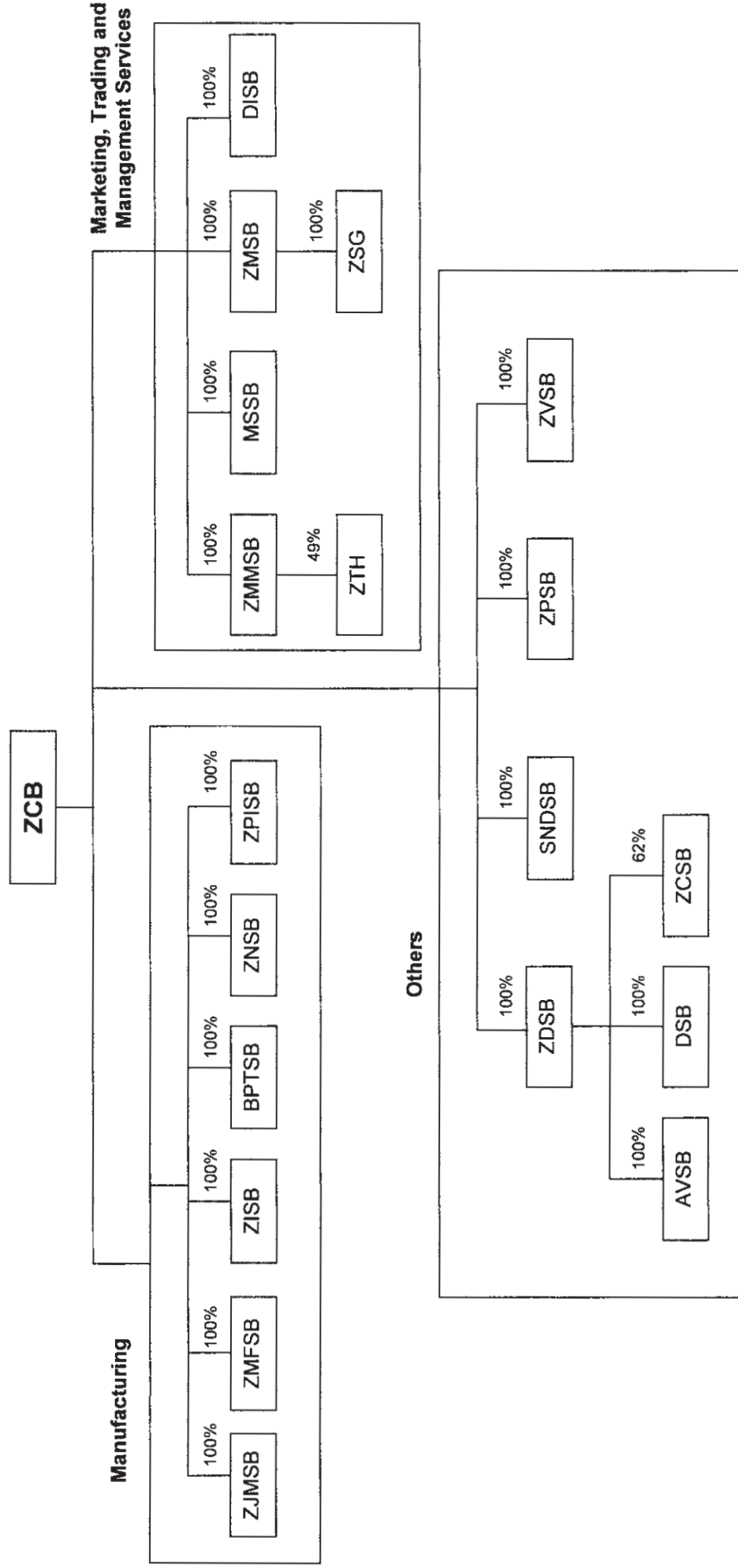
V. INFORMATION ON OUR GROUP (CONT'D)

Name/ (Company No.)	Date and place of incorporation	Issued and paid-up capital (RM)	Effective interest %	Principal activities
Others				
ZDSB (321164-M)	25.10.1994; Malaysia	1,050,000	100.00	Property development
AVSB (688963-U)	20.04.2005; Malaysia	2	100.00	Dormant
DSB (686970-K)	04.04.2005; Malaysia	2	100.00	Dormant
ZCSB (415546-H)	02.01.1997; Malaysia	200,000	62.00	Dormant
SNDSB (665240-M)	08.09.2004; Malaysia	2	100.00	Dormant
ZPSB (665167-D)	07.09.2004; Malaysia	2	100.00	Dormant
ZVSB (665168-A)	07.09.2004; Malaysia	100,000	100.00	Dormant

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

V. INFORMATION ON OUR GROUP (CONT'D)

Our corporate structure as at the date of this Prospectus is as follows:



V. INFORMATION ON OUR GROUP (CONT'D)

4.1 ZJMSB**(i) History and Business**

ZJMSB was incorporated in Malaysia under the Act on 20 June 1989 as a private limited company under the name of Zhulian Goldcraft Sdn Bhd. The company subsequently assumed its present name on 24 November 1999. The principal activity of ZJMSB is in manufacturing of costume and fine jewellery. ZJMSB commenced its business operations in 1989.

(ii) Share Capital

The present authorised share capital of ZJMSB is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZJMSB is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZJMSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
20.06.1989	5	1.00	Subscribers' shares	5
21.05.1990	981,361	1.00	Cash	981,366
30.09.1993	268,634	1.00	Cash	1,250,000
18.11.1999	8,750,000	1.00	Bonus issue of seven (7) new ZJMSB Shares for every existing ZJMSB Share held	10,000,000

ZJMSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZJMSB does not have any subsidiary or associated company.

4.2 ZMFSB**(i) History and Business**

ZMFSB was incorporated in Malaysia under the Act on 3 July 1996 as a private limited company under its present name. The principal activity of ZMFSB is in manufacturing of bedroom apparels and therapeutic products. The company commenced its business operations in August 1999 as an investment holding company. During the financial year ended 30 November 2003, it ceased its business operations as an investment holding company and carried out the manufacturing of the above products.

V. INFORMATION ON OUR GROUP (CONT'D)

(ii) Share Capital

The present authorised share capital of ZMFSB is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZMFSB is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZMFSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
03.07.1996	2	1.00	Subscribers' shares	2
26.11.2003	99,998	1.00	Cash	100,000
15.04.2004	900,000	1.00	Cash	1,000,000

ZMFSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZMFSB does not have any subsidiary or associated company.

4.3 ZISB**(i) History and Business**

ZISB was incorporated in Malaysia under the Act on 14 June 1994 as a private limited company under the name of Grace Impression Sdn Bhd. The company subsequently assumed its present name on 31 January 1996. The principal activity of ZISB is in manufacturing of consumer products.

ZISB was established to manufacture consumer products. The company commenced its business operations on 1 November 1994 in the direct marketing of jewellery products for a year before it changed its business operations to trading of consumer products. ZISB commenced manufacturing of consumer products towards the end of November 2000.

(ii) Share Capital

The present authorised share capital of ZISB is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZISB is RM300,000 comprising 300,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZISB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
14.06.1994	2	1.00	Subscribers' shares	2
01.07.1994	1	1.00	Cash	3
09.09.1994	49,997	1.00	Cash	50,000
30.11.1996	250,000	1.00	Cash	300,000

V. INFORMATION ON OUR GROUP (CONT'D)

ZISB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZISB does not have any subsidiary or associated company.

4.4 BPTSB

(i) History and Business

BPTSB was incorporated in Malaysia under the Act on 9 May 1996 as a private limited company under the name of Park Metropolitan Sdn Bhd. The company assumed its present name on 7 August 2001. The principal activity of BPTSB is the manufacturing of water treatment system and its related products. BPTSB commenced its business operations in November 2001.

(ii) Share Capital

The present authorised share capital of BPTSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of BPTSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of BPTSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
09.05.1996	2	1.00	Subscribers' shares	2
01.10.2001	99,998	1.00	Cash	100,000

BPTSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, BPTSB does not have any subsidiary or associated company.

4.5 ZNSB

(i) History and Business

ZNSB was incorporated in Malaysia under the Act on 4 March 2004 as a private limited company. The company has not commenced operations since the date of its incorporation.

(ii) Share Capital

The present authorised share capital of ZNSB is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZNSB is RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

V. INFORMATION ON OUR GROUP (CONT'D)

The changes in the issued and paid-up share capital of ZNSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
04.03.2004	2	1.00	Subscribers' shares	2
15.04.2004	199,998	1.00	Cash	200,000

ZNSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZNSB does not have any subsidiary or associated company.

4.6 ZPISB**(i) History and Business**

ZPISB was incorporated in Malaysia under the Act on 9 May 1991 as a private limited company under the name of Paveway Corporation Sdn Bhd. The company subsequently assumed its present name on 12 March 1994. The principal activity of ZPISB is in printing of brochures, leaflets, catalogues, name card and other related documents. ZPISB commenced business operations on 1 July 1994.

(ii) Share Capital

The present authorised share capital of ZPISB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZPISB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZPISB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
09.05.1991	2	1.00	Subscribers' shares	2
01.07.1994	99,998	1.00	Cash	100,000

ZPISB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZPISB does not have any subsidiary or associated company.

V. INFORMATION ON OUR GROUP (CONT'D)

4.7 ZMMSB**(i) History and Business**

ZMMSB was incorporated in Malaysia under the Act on 28 August 1989 as a private limited company under its present name. The principal activity of ZMMSB is in direct marketing of costume jewellery and consumer products.

ZMMSB is the distribution arm of our Group. ZMMSB's method of distribution is solely by direct selling whereby MLM strategy is adopted. Under the concept of MLM, a company distributes its products through a network of independent distributors who then sponsor other persons to participate in this activity. The company commenced its business operations in 1989.

(ii) Share Capital

The present authorised share capital of ZMMSB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZMMSB is RM3,000,000 comprising 3,000,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZMMSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
28.08.1989	2	1.00	Subscribers' shares	2
30.11.1991	300,000	1.00	Shares swap (ZJMSB)	300,002
18.11.1999	1,699,998	1.00	Bonus issue of 566,662 new ZMMSB Shares for every 100,000 existing ZMMSB Shares held	2,000,000
29.04.2002	1,000,000	1.00	Bonus issue of 0.5 new ZMMSB Share for every existing ZMMSB Share held	3,000,000

ZMMSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZMMSB does not have any subsidiary. ZMMSB has one (1) 49%-owned associated company, namely ZTH.

4.8 ZTH**(i) History and Business**

ZTH was incorporated in Thailand under the provisions of the Civil and Commercial Code (Thailand) on 14 June 1996 as a private limited company under its present name. The principal activity of ZTH is the direct marketing of costume jewellery and consumer products. The company commenced business operations on 14 June 1996.

V. INFORMATION ON OUR GROUP (CONT'D)

(ii) Share Capital

The present authorised share capital of ZTH is THB20,000,000 comprising 200,000 ordinary shares of THB100 each. The issued and paid-up share capital is THB20,000,000 comprising 200,000 ordinary shares of THB100 each.

The changes in the issued and paid-up share capital of ZTH since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value THB	Consideration	Total issued and paid-up share capital THB
04.05.1996	100,000	100	Cash	10,000,000
27.09.2004	100,000	100	Cash	20,000,000

(iii) Substantial shareholders

The substantial shareholders of ZTH and their shareholdings in ZTH as at the Latest Practicable Date are as follows:

	<----- Latest Practicable Date ----->			
	<----- Direct ----->		<----- Indirect ----->	
	No. of ordinary shares in ZTH	% held	No. of ordinary shares in ZTH	% held
Piyavat Boonyunyongsakul	50,001	25.00	-	-
Suraphong Boonyunyongsakul	49,997	25.00	-	-
Teoh Beng Seng	1	*	⁽ⁱ⁾ 98,000	49.00
ZMMSB	98,000	49.00	-	-

Notes:

* Less than 0.01%.

(i) Deemed interested by virtue of his interests in ZCB, ZHSB, PSB and SESB pursuant to Section 6A of the Act.

(iv) Subsidiary and Associated Company

As at the date hereof, ZTH does not have any subsidiary or associated company.

4.9 MSSB

(i) History and Business

MSSB was incorporated in Malaysia under the Act on 30 May 1996 as a private limited company under its present name. The principal activity of MSSB is in trading of consumer products.

MSSB commenced operations in the trading of consumer products in December 2000.

V. INFORMATION ON OUR GROUP (CONT'D)

(ii) Share Capital

The present authorised share capital of MSSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of MSSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of MSSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
30.05.1996	2	1.00	Subscribers' shares	2
15.12.2000	99,998	1.00	Cash	100,000

MSSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, MSSB does not have any subsidiary or associated company.

4.10 ZMSB**(i) History and Business**

ZMSB was incorporated in Malaysia under the Act on 18 January 1996 as a private limited company under its present name. The principal activity of ZMSB is in provision of management services and investment holding.

ZMSB was formed for the purpose of providing management and consultancy services to our Group and third parties in the area of direct marketing activities. The company commenced its business operations on 18 January 1996.

(ii) Share Capital

The present authorised share capital of ZMSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZMSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
18.01.1996	2	1.00	Subscribers' shares	2
15.01.1997	99,998	1.00	Cash	100,000

ZMSB is a wholly-owned subsidiary of ZCB.

V. INFORMATION ON OUR GROUP (CONT'D)

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZMSB has one (1) wholly-owned subsidiary, namely ZSG. ZMSB does not have any associated company.

4.11 ZSG**(i) History and Business**

ZSG was incorporated on 8 August 2001 in Singapore as a private limited company under the Companies Act, Cap 50, Republic of Singapore under its present name. The principal activity of ZSG is in direct marketing of all kinds of costume jewellery and consumer products. The company commenced its business operations on 1 April 2004.

(ii) Share Capital

The present authorised share capital of ZSG is SGD100,000 comprising 100,000 ordinary shares of SGD1.00 each. The issued and paid-up share capital is SGD100,000 comprising 100,000 ordinary shares of SGD1.00 each.

The changes in the issued and paid-up share capital of ZSG since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value SGD	Consideration	Total issued and paid-up share capital SGD
08.08.2001	2	1.00	Subscribers' shares	2
28.11.2003	99,998	1.00	Cash	100,000

ZSG is a wholly-owned subsidiary of ZMSB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZSG does not have any subsidiary or associated company.

4.12 DISB**(i) History and Business**

DISB was incorporated in Malaysia under the Act on 24 January 1996 as a private limited company under its present name. The company is currently dormant.

(ii) Share Capital

The present authorised share capital of DISB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of DISB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

V. INFORMATION ON OUR GROUP (CONT'D)

The changes in the issued and paid-up share capital of DISB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
24.01.1996	2	1.00	Subscribers' shares	2
16.06.2000	99,998	1.00	Cash	100,000

DISB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, DISB does not have any subsidiary or associated company.

4.13 ZDSB

(i) History and Business

ZDSB was incorporated in Malaysia under the Act on 25 October 1994 as a private limited company under its present name. The principal activity of ZDSB is in property development.

ZDSB was formed for the purpose of undertaking in-house property development and construction activities. ZDSB has been inactive since 1998.

(ii) Share Capital

The present authorised share capital of ZDSB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZDSB is RM1,050,000 comprising 1,050,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZDSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
25.10.1994	3	1.00	Subscribers' shares	3
08.05.1996	499,997	1.00	Cash	500,000
30.11.1998	550,000	1.00	Cash	1,050,000

ZDSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, AVSB and DSB are the wholly-owned subsidiaries of ZDSB, while ZCSB is ZDSB's 62%-owned subsidiary. ZDSB does not have any associated company.

V. INFORMATION ON OUR GROUP (CONT'D)

4.14 AVSB**(i) History and Business**

AVSB was incorporated in Malaysia under the Act on 20 April 2005 as a private limited company under its present name. The company has not commenced business operations since the date of its incorporation.

(ii) Share Capital

The present authorised share capital of AVSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of AVSB is RM2 comprising 2 ordinary shares of RM1.00 each. There has been no change in the issued and paid-up share capital of AVSB since its incorporation.

AVSB is a wholly-owned subsidiary of ZDSB.

(iii) Subsidiary and Associated Company

As at the date hereof, AVSB does not have any subsidiary or associated company.

4.15 DSB**(i) History and Business**

DSB was incorporated in Malaysia under the Act on 4 April 2005 as a private limited company under its present name. The company has not commenced business operations since the date of its incorporation.

(ii) Share Capital

The present authorised share capital of DSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of DSB is RM2 comprising 2 ordinary shares of RM1.00 each. There has been no change in the issued and paid-up share capital of DSB since its incorporation.

DSB is a wholly-owned subsidiary of ZDSB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, DSB does not have any subsidiary or associated company.

4.16 ZCSB**(i) History and Business**

ZCSB was incorporated in Malaysia under the Act on 2 January 1997 as a private limited company under its present name.

ZCSB was formed for the purpose of undertaking in-house construction activities. The company commenced its business operations on 2 January 1997. The company is currently dormant.

V. INFORMATION ON OUR GROUP (CONT'D)

(ii) Share Capital

The present authorised share capital of ZCSB is RM500,000 comprising 500,000 ordinary shares of RM1.00 each. The issued and paid-up share capital is RM200,000 comprising 200,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZCSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
02.01.1997	2	1.00	Subscribers' shares	2
26.08.1997	199,998	1.00	Cash	200,000

(iii) Substantial shareholders

The substantial shareholders of ZCSB and their shareholdings in ZCSB as at the Latest Practicable Date are as follows:

	<----- Latest Practicable Date ----->			
	<----- Direct ----->		<----- Indirect ----->	
	No. of ZCSB Shares	% held	No. of ZCSB Shares	% held
ZDSB	124,000	62.00	-	-
Goh Eng Seng	76,000	38.00	-	-
ZCB	-	-	(i) 124,000	62.00
Teoh Beng Seng	-	-	(ii) 124,000	62.00

Notes:

- (i) Deemed interested by virtue of its interests in ZDSB pursuant to Section 6A of the Act.
- (ii) Deemed interested by virtue of his interests in ZCB, ZHB, PSB and SESB pursuant to Section 6A of the Act.

(iv) Subsidiary and Associated Company

As at the date of this Prospectus, ZCSB does not have any subsidiary or associated company.

4.17 SNDSB

(i) History and Business

SNDSB was incorporated in Malaysia under the Act on 8 September 2004 as a private limited company under its present name. The company has not commenced business operations since the date of its incorporation.

(ii) Share Capital

The present authorised share capital of SNDSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of SNDSB is RM2 comprising 2 ordinary shares of RM1.00 each. There has been no change in the issued and paid-up share capital of SNDSB since its incorporation.

V. INFORMATION ON OUR GROUP (CONT'D)

SNDSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date hereof, SNDSB does not have any subsidiary or associated company.

4.18 ZPSB

(i) History and Business

ZPSB was incorporated in Malaysia under the Act on 7 September 2004 as a private limited company under its present name. The company has not commenced business operations since the date of its incorporation.

(ii) Share Capital

The present authorised share capital of ZPSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZPSB is RM2 comprising 2 ordinary shares of RM1.00 each. There has been no change in the issued and paid-up share capital of ZPSB since its incorporation.

ZPSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZPSB does not have any subsidiary or associated company.

4.19 ZVSB

(i) History and Business

ZVSB was incorporated in Malaysia under the Act on 7 September 2004 as a private limited company under its present name. The company has not commenced business operations since the date of its incorporation.

(ii) Share Capital

The present authorised share capital of ZVSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and paid-up share capital of ZVSB is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

The changes in the issued and paid-up share capital of ZVSB since its incorporation are as follows:

Date of allotment	No. of ordinary shares	Par value RM	Consideration	Total issued and paid-up share capital RM
07.09.2004	2	1.00	Subscribers' shares	2
18.04.2005	99,998	1.00	Cash	100,000

ZVSB is a wholly-owned subsidiary of ZCB.

(iii) Subsidiary and Associated Company

As at the date of this Prospectus, ZVSB does not have any subsidiary or associated company.

V. INFORMATION ON OUR GROUP (CONT'D)

5. PROPERTIES

The landed properties of our Group are as follows:

No.	(i) Postal address (ii) Title particulars	Registered owner / Leaseholder	(i) Description and Existing Use/ (ii) Restriction In Interest	Date of issuance of certificate of fitness	(i) Land area (ii) Built-up area	Tenure	Approximate Age of Building (years)	Encumbrances	Net book value as at 30/11/06 RM 000
1.	(i) Plot 42, Bayan Lepas Industrial Estate, Phase IV, 11900 Penang (ii) No. Hakmilik PN 4564, Lot 12346 (formerly known as H.S.(D) 8708, P.T. No. 3214 (Plot 42)), Mukim 12, South-West District, Pulau Pinang	ZJMSB	(i) The property comprises a parcel of industrial land and a 4-storey factory and office. (ii) (aa) This land alienated shall not be sold, mortgaged, charged, leased or transferred by any means, including by way of agreement meant to sell/dispose this land, without approval from the State Authority. (bb) This land alienated shall not be subdivided.	26/08/98	(i) 0.8304 hectares (2.052 acres) (ii) 15,097.06 sq metres	Leasehold (60 years) Expiring 2 February 2055	8	Charged to financial institution	18,331

V. INFORMATION ON OUR GROUP (CONT'D)

No.	(i) Postal address (ii) Title particulars	Registered owner / Leaseholder	(i) Description and Existing Use/ (ii) Restriction In Interest	Date of issuance of certificate of fitness	(i) Land area (ii) Built-up area	Tenure	Approximate Age of Building (years)	Encumbrances	Net book value as at 30/11/06 RM 000
			(cc) This land alienated and any other buildings erected thereon shall not be used for any other reason except for those approved by the Penang Development Corporation and the State Authority.						
2.	(i) Plot 41, Bayan Lepas Industrial Estate, Phase IV, 11900 Penang (ii) No. Hakmilik PN 5883, Lot 12347 (formerly known as H.S.(D) 8671, P.T. No. 3028 (Plot 41)), Mukim 12, South-West District, Pulau Pinang	ZJMSB	(i) The property is a parcel of industrial land with a detached factory, double-storey office and one storey of production floor. (ii) (aa) This land alienated shall not be sold, mortgaged, charged, leased or transferred by any means, including by way of agreement meant to sell/dispose this land, without approval from the State Authority.	06/02/97	(i) 0.86608 hectares (2.140 acres) (ii) 5,785.54 sq.metres	Leasehold (60 years) Expiring 30 December 2053	10	Charged to financial institution	7,042

V. INFORMATION ON OUR GROUP (CONT'D)

No.	(i) Postal address (ii) Title particulars	Registered owner / Leaseholder	(i) Description and Existing Use/ (ii) Restriction in Interest	Date of issuance of certificate of fitness	(i) Land area (ii) Built-up area	Tenure	Approximate Age of Building (years)	Encumbrances	Net book value as at 30/11/06 RM 000
3.	(i) Unit 26-B and 26-C, Jalan Tun Dr Awang, 11900 Pulau Pinang (ii) 2296/M1/2/28 and 2296/M1/3/38 of Lot 9968 Mukim 13, Daerah Timur Laut, Pulau Pinang	ZJMSB	(bb) This land alienated shall not be subdivided. (cc) This land alienated and any other buildings erected thereon shall not be used for any other reason except for those approved by the Penang Development Corporation and the State Authority.	10/01/94	(i) n/a (ii) 100.614 sq.metres on each floor	Freehold shoplot	13	Charged to financial institution	406
4.	(i) - (ii) Geran No. HSM861 to HSM1022 and No. Lot PT5081 to PT5244	ZDSB	(i) The land comprises a plot of development land. (ii) None.	n/a	(i) 28,770 sq.metres (ii) -	Freehold land	-	None	5,963

V. INFORMATION ON OUR GROUP (CONT'D)

No.	(i) Postal address (ii) Title particulars	Registered owner / Leaseholder	(i) Description and Existing Use/ (ii) Restriction In Interest	Date of issuance of certificate of fitness		Tenure	Approximate Age of Building (years)	Encumbrances	Net book value as at 30/11/06 RM 000
				(i) Land area	(ii) Built-up area				
5.	(i) No. 32 Jalan Kelawei, 10250 Penang	ZVSB	(i) The property is a parcel of development land with building. As at the date of this Prospectus, plans for the redevelopment of the property to a 9 storey office block and 2 storey basement car park has been submitted to the local authorities. No development works have commenced to date.	Not located by ZCB ^(b)	(i) 2,404 sq. metres (ii) Unavailable	Freehold	Cannot be determined	None	5,698
	(ii) Geran 1952, Lot 1643 Seksyen 4 Bandar Georgetown, Daerah Timur Laut, Pulau Pinang			(ii) None.					
6.	(i) No.3, Cangkat Minden, Jalan 8, 11700 Penang	ZDSB	(i) The property is a parcel of development land with a single-storey bungalow. As at the date of this Prospectus, plans for the redevelopment of the property to 5 units of 2 storey bungalow has been approved by the local authorities. No development works have commenced to date.	Not located by ZCB ^(b)	(i) 3,184 sq. metres (ii) 555.36 sq. metres	Freehold	22	None	4,598
	(ii) Geran 43401, Lot 2890 Bandar Gelugor, Daerah Timur Laut, Pulau Pinang			(ii) None.					

V. INFORMATION ON OUR GROUP (CONT'D)

No.	Postal address (i) Title particulars		Registered owner / Leaseholder	(i) Description and Existing Use/ (ii) Restriction in Interest		Date of issuance of certificate of fitness	(i) Land area (ii) Built-up area		Tenure	Approximate Age of Building (years)	Encumbrances	Net book value as at 30/1/06 RM 000
	(i)	(ii)		(i)	(ii)		(i)	(ii)				
7.	(i) -	(ii) No. Hakmilik PN 5873, Lot 12367 (formerly known as H.S.(D) 7819), P.T. No. 1704, Mukim 12, Daerah Barat Daya, Pulau Pinang	BPTSB	(i) The property is a parcel of vacant land currently designated as the site for our new factory. (ii) (aa) This land alienated shall not be sold, mortgaged, charged, leased or transferred by any means, including by way of agreement meant to self/dispose this land, without approval from the State Authority. (bb) This land alienated shall not be subdivided.	n/a	(i) 4.314 acres (17,458 sq. metres) (ii) n/a	Leasehold (60 years) Expiring 29 May 2051	n/a	None	5,201		
8.	(i) 5 Jalan Masjid #01-09 ^(c) Kembangan Court Singapore 418924	(ii) Lot No. U14342N Mukim 23 Singapore 418924	ZSG	(i) Residential with commercial at 1 storey only. (ii) None.	05/06/95	(i) - (ii) 410 sq metres	Freehold	11	None	5,587		
9.	(i) 5 Jalan Masjid #01-08 ^(d) Kembangan Court Singapore 418924	(ii) Lot No. U14341K Mukim 23 Singapore 418924	ZSG	(i) Residential with commercial at 1 storey only. (ii) None.	05/06/95	(i) - (ii) 123 sq metres	Freehold	11	None	2,029		

V. INFORMATION ON OUR GROUP (CONT'D)

Notes:

- (a) This property is currently vacant.
- (b) Our Directors have submitted plans to demolish the vacant buildings on the subject properties. As such, we do not intend to procure new certificates of fitness for the subject buildings.
- (c) The property was acquired by ZSG on 13 September 2006 at a purchase consideration of SGD2.30 million (RM5.40 million). The transaction was completed on 14 November 2006.
- (d) Based on net book value as at 31 December 2006. The property was acquired by ZSG on 29 September 2006 at a purchase consideration of SGD0.838 million (RM1.97 million). The transaction was completed on 14 December 2006.