

ZHULIAN CORPORATION BERHAD (415527-P)

Plot 42, Bayan Lepas Industrial Estate

Phase IV, 11900 Penang, Malaysia.

Tel: 604-6162020 Fax: 604-6425989

CONDENSED CONSOLIDATED BALANCE SHEET

	As at end of Current Quarter 30.11.2007 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2006 RM'000 (Audited)
Assets		
Property, plant and equipment	46,940	55,738
Investment properties	396	406
Land held for property development	10,671	10,581
Prepaid lease payment	6,785	6,937
Interest in an associate	15,512	14,874
Other investments	7,401	-
Deferred tax assets	-	168
Total non-current assets	<u>87,705</u>	<u>88,704</u>
Inventories	42,201	45,885
Trade and other receivables	32,975	24,404
Tax recoverable	487	1,628
Cash and cash equivalents	120,133	88,639
Total current assets	<u>195,796</u>	<u>160,556</u>
Total assets	<u><u>283,501</u></u>	<u><u>249,260</u></u>
Equity		
Share capital	172,500	142,226
Reserves	(8)	(11)
Retained profits	77,289	64,704
Total equity attributable to shareholders of the Company	<u>249,781</u>	<u>206,919</u>
Minority Interests	<u>76</u>	<u>76</u>
Total Equity	<u><u>249,857</u></u>	<u><u>206,995</u></u>
Liabilities		
Deferred tax liabilities	12	-
Borrowing	-	627
Total non-current liabilities	<u>12</u>	<u>627</u>
Trade and other payables	32,288	38,804
Borrowing	-	300
Taxation	1,344	2,534
Total current liabilities	<u>33,632</u>	<u>41,638</u>
Total equity and liabilities	<u><u>283,501</u></u>	<u><u>249,260</u></u>
Net assets per share (sen)	72.40	72.74

The selected explanatory notes form an integral part of, and should be read in conjunction with, this interim financial report.

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CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2007

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2007 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2006 RM'000 (Unaudited)	Current Year To Date (Four quarters to 30.11.2007) RM'000 (Unaudited)	* Preceding Year To Date (Four quarters to 30.11.2006) RM'000 (Audited)
Revenue	<u>59,352</u>	<u>54,550</u>	<u>220,546</u>	<u>126,007</u>
Profit from operations	18,418	16,262	59,243	67,990
Finance costs	-	(16)	(40)	(41)
Share of profit after tax of associate	5,435	4,991	15,247	5,109
Profit before taxation	<u>23,853</u>	<u>21,237</u>	<u>74,450</u>	<u>73,058</u>
Income tax expense	(4,558)	(6,617)	(15,421)	(8,286)
Profit for the period	<u>19,295</u>	<u>14,620</u>	<u>59,029</u>	<u>64,772</u>
Attributable to:				
Shareholders of the Company	19,295	14,620	59,029	64,772
Minority interests	-	-	-	-
Profit for the period	19,295	14,620	59,029	64,772
<i>Weighted average number of shares in issue ('000)</i>	345,000	284,451	326,421	284,451
Basic earnings per share (sen) (based on the weighted average number of shares in issue)	<u>5.59</u>	<u>5.14</u>	<u>18.08</u>	<u>22.77</u>

* in respect of period from 28.4.06 to 30.11.06 as the Group was only formed on 28.4.06 upon the completion of the acquisition of subsidiary

Note: The profit for the period was wholly attributable to the shareholders of the Company.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2007

	Share Capital RM'000	Share Premium RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Total RM'000
As at 1 December 2005	*	-	-	-	-
Issue of shares					
-Acquisition of subsidiaries by way of Share swap	142,226	-	-	-	142,226
Translation of the opening net investment in foreign subsidiary at period end exchange rate	-	-	(11)	-	(11)
Profit for the period	-	-	-	64,704	64,704
Dividend	-	-	-	-	-
As at 30 November 2006	<u>142,226</u>	<u>-</u>	<u>(11)</u>	<u>64,704</u>	<u>206,919</u>
Translation of the opening net investment in foreign subsidiary at period end exchange rate	-	-	3	-	3
Rights issue	30,274	-	-	-	30,274
Profit for the period	-	-	-	59,029	59,029
Dividend	-	-	-	(46,444)	(46,444)
As at 30 November 2007	<u><u>172,500</u></u>	<u><u>-</u></u>	<u><u>(8)</u></u>	<u><u>77,289</u></u>	<u><u>249,781</u></u>

* Denotes RM 2

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2007

	Current Year To Date (Four quarters to 30.11.2007) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 30.11.2006) RM'000 (Audited)
Net cash generated from operating activities	37,226	27,195
Net cash generated from investing activities	17,186	92,893
Net cash used in financing activities	(21,796)	(32,578)
Net increase in cash and cash equivalents	<u>32,616</u>	<u>87,510</u>
Cash and cash equivalents at beginning of financial period	87,519	*
Effects of exchange rates on cash and cash equivalents	(2)	9
Cash and cash equivalents at end of financial period (Note 1)	<u><u>120,133</u></u>	<u><u>87,519</u></u>

* Denotes RM 2

NOTE 1:

Cash and cash equivalents at the end of the financial period comprise the following :-

	As at 30.11.07 RM'000	As at 30.11.06 RM'000
Short term deposit with licensed bank	108,601	80,592
Cash and bank balances	11,532	8,047
	<u>120,133</u>	<u>88,639</u>
Less: Deposit Pledged	-	(1,120)
Total cash and cash equivalent	<u><u>120,133</u></u>	<u><u>87,519</u></u>

The selected explanatory notes form an integral part of, and should be read in conjunction with, this interim financial report.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007**

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standards (“FRS”) 134₂₀₀₄, Interim Financial Reporting and the additional disclosure requirements as in Part A of Appendix 9B of the Revised Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the most recent annual audited financial statements of the Group for the financial year ended 30 November 2006. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 November 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with the most recent annual audited financial statements for the financial year ended 30 November 2006 except for the adoption of the following applicable new/revised FRS effective for the financial period beginning 1 December 2006:

FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 117	Leases
FRS 121	The Effects of Changes in Foreign Exchange Rates- Net Investment in a Foreign Operation
FRS 124	Related Party Disclosures
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition to the above, the following revised and/or amendments to the FRSs which are effective for the financial period beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Governments Assistance

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007 (Cont'd)**

Amendment to FRS 121	The effects of Changes in Foreign Exchange Rates- Net Investment in a Foreign Operation
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above standards does not have any significant financial impact on the Group, except for the following:

FRS 117 Leases

Prior to 1 December 2006, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land. Leasehold land held for own use is now classified as operating lease and up-front payments made represents prepaid land lease payment and are amortised on a straight-line basis over the lease term. The Group has applied the above change in accounting policy in accordance with the transitional provision of FRS 117 whereby the unamortized amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payment.

FRS 140 Investment Property

The adoption of this new FRS has resulted in a reclassification of property held for rental or long term appreciation in value as investment property. The Group has adopted last model in the measurement of investment property.

FRS 101 Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associate and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

2. Auditors' Qualification

The Group's most recent annual audited financial statements for the financial year ended 30 November 2006 was not subject to any audit qualification.

3. Seasonal or Cyclical Factors

The Group's performance is not affected by the seasonal or cyclical factors except that during major festive seasons, the demand for our jewellery and consumer products tends to improve.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review due to their nature, size, or incidence.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007 (Cont'd)**

5. Changes in Estimates

There was no material changes in estimates of amounts reported in prior financial period.

6. Debt and Equity Securities

On 23 March 2007, the Company undertook a rights issue of 60,548,553 new ordinary shares of RM0.50 each in the Company ("Shares") at an issue price of RM0.535 per Share, for cash on the basis of approximately 0.213 new Share for every 1 existing share held ("Rights Issue"). The completion of the Rights Issue resulted in an increase in the issued and paid-up share capital of the Company from RM142,225,723.50 comprising 284,451,447 Shares to RM172,500,000 comprising 345,000,000 Shares.

7. Dividends Paid

Since the end of the previous financial year, the Company paid:

- (i) a special interim dividend of 1.257% less 27% tax and tax exempt dividend of 6.114%, totalling RM20,000,000 in respect of the year ended 30 November 2006 on 23 March 2007;
- (ii) an interim dividend of 7 sen per ordinary share of RM 0.50 each less 27% tax, totalling RM 17,629,500 in respect of the year ended 30 November 2007 on 17 August 2007, based on the existing share capital of 345,000,000 ordinary shares; and
- (iii) a second interim dividend of 3.5 sen per ordinary share of RM 0.50 each less 27% tax, totalling RM 8,814,750 in respect of the year ended 30 November 2007 on 16 November 2007, based on the existing share capital of 345,000,000 ordinary shares.

8. Segment Revenue and Results

Financial data by business segment for the Group

	← Current Period To Date → 30 November 2007			
	Revenue RM'000	%	Operating Profit/(Loss) Before Taxation RM'000	%
Multi-level Marketing	218,163	99	56,991	96
Investment Holding	-	-	768	1
Others	2,383	1	1,484	3
	220,546	100	59,243	100

9. Revaluation of Property, Plant and Equipment

Not applicable. No valuation policy was adopted for property, plant and equipment of the Group.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007 (Cont'd)**

10. Material Post Balance Sheet Events

There were no material events subsequent to the end of the period under review which have not been reflected in this interim financial report.

11. Changes in Group's Composition

There were no changes in the composition of the Group during the current financial year ended 30 November 2007.

12. Changes in Contingent Liabilities and Assets and changes in material litigations

There were no contingent liabilities and assets and changes in material litigations as at the end of the reporting period.

13. Review of earnings and/or revenue of the Company and its subsidiaries for current quarter and financial year to date

The Group recorded a profit before taxation of RM 74.450 million and revenue of RM 220.546 million for the current financial year to date. The profit before taxation and revenue for the current quarter under review was RM 23.853 million and RM 59.352 million respectively.

14. Material Change in Profit Before Taxation reported on as compared with the immediate preceding quarter

The revenue for the current quarter under review was higher than the immediate preceding quarter, mainly contributed by higher demand from overseas markets. The increase in profit before taxation for current quarter was in line with the increase in sales.

15. Current year prospects

The Board of Directors expects the Group's performance for year 2008 to be satisfactory.

16. Profit Forecast

Save for the profit forecast issued in its Prospectus dated 3 April 2007, the Group did not issue any profit forecast or profit guarantee in a public documents during the current financial period. The actual profit after tax was 8% lower as compared to the profit forecast as stated in the Prospectus dated 3 April 2007. This was mainly due to the intense competition in gold plated jewellery products in the local market.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007 (Cont'd)**

17. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2007 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2006 RM'000 (Unaudited)	Current Year To date 30.11.2007 RM'000 (Unaudited)	Preceding Year To date 30.11.2006 RM'000 (Audited)
Current taxation-based on profit for the period	4,558	6,617	15,421	8,286

The tax over profit before tax (excluded share of profit after tax of associate) for current period under review was 26%, which was slightly lower than the statutory tax rate.

18. Profit/(Loss) on Sale of Unquoted Investments and/or Properties

During the second quarter, there was a disposal of freehold property known as Lot 9588 Mukim 12, Daerah Barat Daya, Pulau Pinang at the consideration of RM 10,375,000. The gain on disposal was approximately RM 148,000, after net off the Real Property Gain Tax.

During the fourth quarter, the Group disposed of a freehold property known as Lot 1643 Seksyen 4 Bandar Georgetown Daerah Timur Laut, Pulau Pinang for a consideration of RM 5,800,000 with no material gain or loss. As at the date of the report, the transaction has been completed.

19. Purchase or Disposal of Quoted Securities

Total investment in quoted securities:

Quoted investment in Malaysia	30 November 2007 RM'000
At cost b/f	-
Total additions during the year	29,481
Total disposals during the year	(22,080)
	<hr/>
At cost c/f	7,401
Market value of quoted investment	<u>7,088</u>

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007 (Cont'd)****20. Status of Corporate Proposals**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Malaysia Securities Berhad, the Company undertook a restructuring exercise which involved the following:

On 23 March 2007, the Company undertook a rights issue of 60,548,553 new ordinary shares of RM0.50 each in the Company ("Shares") at an issue price of RM0.535 per Share, for cash on the basis of approximately 0.213 new Share for every 1 existing share held ("Rights Issue"). The completion of the Rights Issue resulted in an increase in the issued and paid-up share capital of the Company from RM142,225,723.50 comprising 284,451,447 Shares to RM172,500,000 comprising 345,000,000 Shares.

The entire issued and paid-up share capital of the Company comprising 345,000,000 ordinary shares of RM0.50 each was listed and quoted on 27 April 2007 on the Main Board of Bursa Malaysia Securities Berhad.

21. Group Borrowings

	As at 30 November 2007
	RM'000
Short term borrowings (secured)	-
Long term borrowings (secured)	-
	<u> </u>
	<u> </u>

The hire purchase obligations of the subsidiary have been fully settled in May 2007.

22. Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at the date of this report.

23. Dividend Declared

- i) A third interim single-tier exempt dividend of 5 sen per ordinary share of RM 0.50 each has been declared on 17 January 2008, based on the share capital of 345,000,000 ordinary shares.
- ii) In respect of deposited securities, entitlements to the interim dividend will be determined based on shareholders registered in the record of depositors as at 5 February 2008. The payment date is 26 February 2008.

24. Capital Commitment

As at 30 November 2007, there were capital commitments of RM 31.56 million. This was mainly in respect of a factory building.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2007 (Cont'd)**

25. Basic Earnings per Share

The basic earnings per share for the financial period are computed based on the Group's net profit divided by the weighted average number of shares in issue during the financial period.

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.07 RM'000 (Unaudited)	Preceding Year Quarter 30.11.06 RM'000 (Unaudited)	Current Year To Date (Four quarters to 30.11.2007) RM'000 (Unaudited)	Preceding Year To Date (Four quarters to 30.11.06) RM'000 (Audited)
Net profit for the period (RM'000)	<u>19,295</u>	<u>14,620</u>	<u>59,029</u>	<u>64,772</u>
<i>Weighted average number of shares in issue ('000)</i>	<u>345,000</u>	<u>284,451</u>	<u>326,421</u>	<u>284,451</u>
Basic earnings per share (sen)	<u>5.59</u>	<u>5.14</u>	<u>18.08</u>	<u>22.77</u>

The Group has no potential ordinary shares in issue, therefore diluted earnings per share has not been presented.

By Order of the Board

Lam Voon Kean
Secretary

17 January 2008
Penang