

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 28.02.2009 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2008 RM'000 (Audited)
Assets		
Property, plant and equipment	88,195	85,712
Prepaid lease payments	6,591	6,629
Investment property	382	384
Land held for development	10,695	10,696
Investment in an associate	26,721	23,801
Other investments	4,453	4,453
Total non-current assets	<u>137,037</u>	<u>131,675</u>
Receivables, deposits and prepayments	52,340	52,729
Inventories	51,567	51,245
Current tax assets	139	279
Cash and cash equivalents	99,678	106,529
Total current assets	<u>203,724</u>	<u>210,782</u>
Total assets	<u><u>340,761</u></u>	<u><u>342,457</u></u>
Equity		
Share capital	172,500	172,500
Reserves	113,495	107,000
Total equity attributable to shareholders of the Company	<u>285,995</u>	<u>279,500</u>
Minority Interests	76	76
Total Equity	<u>286,071</u>	<u>279,576</u>
Liabilities		
Deferred tax liabilities	2,043	2,169
Total non-current liabilities	<u>2,043</u>	<u>2,169</u>
Trade and other payables	37,808	46,815
Dividend payable	10,350	10,350
Taxation	4,489	3,547
Total current liabilities	<u>52,647</u>	<u>60,712</u>
Total equity and liabilities	<u><u>340,761</u></u>	<u><u>342,457</u></u>
Net assets per share (sen)	82.90	81.01

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 PERIOD ENDED 28 FEBRUARY 2009

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28.02.2009 RM'000 (Unaudited)	Preceding Year Quarter 29.02.2008 RM'000 (Unaudited)	Current Year To Date 28.02.2009 RM'000 (Unaudited)	Preceding Year To Date 29.02.2008 RM'000 (Unaudited)
Revenue	<u>71,085</u>	<u>61,279</u>	<u>71,085</u>	<u>61,279</u>
Profit from operations	19,406	12,989	19,406	12,989
Share of profit after tax and minority interest of associate	2,920	5,546	2,920	5,546
Profit before taxation	<u>22,326</u>	<u>18,535</u>	<u>22,326</u>	<u>18,535</u>
Income tax expense	(5,482)	(3,220)	(5,482)	(3,220)
Profit for the period	<u>16,844</u>	<u>15,315</u>	<u>16,844</u>	<u>15,315</u>
Attributable to:				
Shareholders of the Company	16,844	15,315	16,844	15,315
Minority interests	-	-	-	-
Profit for the period	<u>16,844</u>	<u>15,315</u>	<u>16,844</u>	<u>15,315</u>
<i>Weighted average number of shares in issue ('000)</i>	345,000	345,000	345,000	345,000
Basic earnings per share (sen)	<u>4.88</u>	<u>4.44</u>	<u>4.88</u>	<u>4.44</u>

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2009

	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 December 2007	172,500	-	(8)	77,187	249,679	76	249,755
Dividends	-	-	-	(17,250)	(17,250)	-	(17,250)
Foreign exchange translation differences	-	-	11	-	11	-	11
Profit for the period	-	-	-	15,315	15,315	-	15,315
As at 29 February 2008	<u>172,500</u>	<u>-</u>	<u>3</u>	<u>75,252</u>	<u>247,755</u>	<u>76</u>	<u>247,831</u>
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 December 2008	172,500	-	(27)	107,027	279,500	76	279,576
Dividends	-	-	-	(10,350)	(10,350)	-	(10,350)
Foreign exchange translation differences	-	-	1	-	1	-	1
Profit for the period	-	-	-	16,844	16,844	-	16,844
As at 28 February 2009	<u>172,500</u>	<u>-</u>	<u>(26)</u>	<u>113,521</u>	<u>285,995</u>	<u>76</u>	<u>286,071</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2009

	Current Year To Date 28.02.2009 RM'000 (Unaudited)	Preceding Year To Date 29.02.2008 RM'000 (Unaudited)
Net cash from operating activities	6,734	16,699
Net cash used in investing activities	(3,235)	(13,745)
Net cash used in financing activities	(10,350)	(17,250)
Net decrease in cash and cash equivalents	<u>(6,851)</u>	<u>(14,296)</u>
Cash and cash equivalents at beginning of financial period	106,481	120,133
Effect of exchange differences on cash and cash equivalents of foreign subsidiary	-	(6)
Cash and cash equivalents at end of financial period (Note 1)	<u><u>99,630</u></u>	<u><u>105,831</u></u>

NOTE 1:

Cash and cash equivalents consist of :-

	As at 28.02.2009 RM'000	As at 29.02.2008 RM'000
Short term deposits with licensed banks	85,387	89,566
Cash and bank balances	14,291	16,265
	<u>99,678</u>	<u>105,831</u>
Less: Deposits pledged	(48)	-
Total cash and cash equivalents	<u><u>99,630</u></u>	<u><u>105,831</u></u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2009

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standards (“FRS”) 134, 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 2008. 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 2008.

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 2008 except for the adoption of the following applicable new/revised FRS effective for the financial period after 1 December 2008:

FRSs/Interpretations	Effective date
FRS 4, Insurance Contracts	1 January 2010
FRS 7, Financial Instruments: Disclosure	1 January 2010
FRS 8, Operating Segments	1 July 2009
FRS 139, Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9, Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10, Interim Financial Reporting and Impairment	1 January 2010

The Group plans to apply FRS 8 from the annual period beginning 1 December 2009. The Group and the Company plan to apply the abovementioned FRSs/Interpretations from the annual period beginning 1 December 2010 except for FRS 4 and IC Interpretation 9 which are not applicable to the Group and the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemptions given in the respective FRSs. Other than the implications as discussed below, the initial application of the above standards (and its consequential amendments) and interpretations is not expected to have any material impact on the financial statements of the Group and the Company.

FRS 8, Operating Segments

FRS 8 will become effective for financial statements for the year ending 30 November 2010. FRS 8, which replaces FRS 114, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity’s chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segments. The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than expanded disclosure requirements, if any.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2009 (Cont'd)**

2. Auditors' Qualification

Not applicable. No qualification on the audit report of the preceding annual financial statements of Zhulian Corporation Berhad.

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 for the financial period under review due to their nature, size, or incidence.

5. Changes in Estimates

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

6. Debt and Equity Securities

There was no issuance and repayment of debt and equity, shares buy-backs, shares cancellations, shares held as treasury shares and resale of treasury shares for the current financial period to date.

7. Dividends Paid

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

- i) A third interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the financial year ended 30 November 2008 on 8 December 2008; and
- ii) A fourth interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of the financial year ended 30 November 2008 on 10 March 2009.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2009 (Cont'd)**

8. Segment Revenue and Results

Financial data by business segment for the Group

	← Current Year To Date → 28 February 2009			
	Revenue	%	Operating Profit/(Loss) Before Taxation	%
	RM'000		RM'000	
Multi-level Marketing	70,286	99	19,153	99
Investment Holding	739	1	347	1
Others	60	0	(94)	0
	71,085	100	19,406	100

9. Revaluation of Property, Plant and Equipment

No revaluation policy was adopted for property, plant and equipment of the Group.

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 period ended 28 February 2009.

12. Changes in Contingent Liabilities and Assets and Changes in Material Litigations

There were no contingent liabilities and assets and no 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 RM22.326 million and revenue of RM71.085 million for the first quarter of FY 2009.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2009 (Cont'd)**

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 lower than the immediate preceding quarter, mainly due to lower demand from overseas markets. The profit before tax has also decreased which was in line with the decrease in sales.

15. Current year prospects

The Board of Directors expects the Group's performance for year 2009 to be satisfactory.

16. Variance of Actual Profit from Forecast Profit

Not applicable.

17. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28.02.2009 RM'000 (Unaudited)	Preceding Year Quarter 29.02.2008 RM'000 (Unaudited)	Current Year To date 28.02.2009 RM'000 (Unaudited)	Preceding Year To date 29.02.2008 RM'000 (Unaudited)
Current taxation-based on profit for the period	5,482	3,220	5,482	3,220

The tax over profit before tax (excluded share of profit after tax of associate) for current period under review was 28% which was higher than the statutory tax rate. This was mainly due to certain expenses were non tax deductible.

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

There were no sale of investments and properties for the period under review.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2009 (Cont'd)****19. Purchase or Disposal of Quoted Securities**

Total investment in quoted securities:

Quoted investment in Malaysia	28 February 2009 RM'000
At cost b/f	7,653
Total additions during the period	-
Total disposals during the period	-
	<hr/>
At cost c/f	7,653
Less: Allowance for diminution in value b/f & c/f	<hr/> (3,200) <hr/>
Carrying amount c/f	<hr/> <u>4,453</u> <hr/>
Market value of quoted investments	<hr/> <u>4,401</u> <hr/>

20. Status of Corporate Proposals

There was no corporate proposal being announced during the period.

21. Group Borrowings

There were no borrowings as at the end of the period under review.

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 first single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM10,350,000 in respect of financial year ending 30 November 2009 has been declared on 15 April 2009, 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 15 May 2009. The payment date is 29 May 2009.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2009 (Cont'd)

24. Capital Commitment

As at 28 February 2009, there were capital commitments of RM2.1 million, mainly in respect of building renovation and machinery.

25. Basic Earnings per Share

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28.02.2009 RM'000 (Unaudited)	Preceding Year Quarter 29.02.2008 RM'000 (Unaudited)	Current Year To Date 28.02.2009 RM'000 (Unaudited)	Preceding Year To Date 29.02.2008 RM'000 (Unaudited)
Net profit for the period (RM'000)	<u>16,844</u>	<u>15,315</u>	<u>16,844</u>	<u>15,315</u>
<i>Weighted average number of shares in issue ('000)</i>	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>	<u>345,000</u>
Basic earnings per share (sen)	<u>4.88</u>	<u>4.44</u>	<u>4.88</u>	<u>4.44</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
15 April 2009
Penang