

# 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

	<b>As at end of Current Financial Year End 30.11.2009 RM'000 (Unaudited)</b>	<b>As at Preceding Financial Year End 30.11.2008 RM'000 (Audited)</b>
<b>Assets</b>		
Property, plant and equipment	86,969	85,712
Prepaid lease payments	12,047	6,629
Investment property	373	384
Land held for development	6,092	10,696
Investment in an associate	30,752	23,801
Other investments	6,074	4,453
Goodwill on consolidation	1,168	-
Deferred tax assets	226	-
<b>Total non-current assets</b>	<u>143,701</u>	<u>131,675</u>
Receivables, deposits and prepayments	51,914	52,729
Inventories	47,873	51,245
Current tax assets	158	279
Asset classified as held for sale	4,604	-
Cash and cash equivalents	125,084	106,529
<b>Total current assets</b>	<u>229,633</u>	<u>210,782</u>
<b>Total assets</b>	<u><u>373,334</u></u>	<u><u>342,457</u></u>
<b>Equity</b>		
Share capital	172,500	172,500
Reserves	147,611	107,000
<b>Total equity attributable to equityholders of the Company</b>	<u>320,111</u>	<u>279,500</u>
<b>Minority interest</b>	425	76
<b>Total equity</b>	<u>320,536</u>	<u>279,576</u>
<b>Liabilities</b>		
Deferred tax liabilities	1,360	2,169
<b>Total non-current liabilities</b>	<u>1,360</u>	<u>2,169</u>
Payables and accruals	46,757	46,815
Dividend payable	-	10,350
Current tax liabilities	4,681	3,547
<b>Total current liabilities</b>	<u>51,438</u>	<u>60,712</u>
<b>Total equity and liabilities</b>	<u><u>373,334</u></u>	<u><u>342,457</u></u>
Net assets per share (sen)	92.79	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 YEAR ENDED 30 NOVEMBER 2009**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2009 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2008 RM'000 (Unaudited)	Current Year To Date 30.11.2009 RM'000 (Unaudited)	Preceding Year To Date 30.11.2008 RM'000 (Audited)
<b>Revenue</b>	<u>87,210</u>	<u>81,788</u>	<u>315,275</u>	<u>303,577</u>
<b>Profit from operations</b>	26,211	22,477	85,737	76,800
Share of profit after tax and minority interest of associate	4,940	3,178	16,967	18,193
<b>Profit before tax</b>	<u>31,151</u>	<u>25,655</u>	<u>102,704</u>	<u>94,993</u>
Income tax expense	(6,450)	(6,553)	(20,647)	(20,303)
<b>Profit for the year / period</b>	<u>24,701</u>	<u>19,102</u>	<u>82,057</u>	<u>74,690</u>
<b>Attributable to:</b>				
Equityholders of the Company	24,670	19,102	82,005	74,690
Minority interest	31	-	52	-
<b>Profit for the year / period</b>	<u>24,701</u>	<u>19,102</u>	<u>82,057</u>	<u>74,690</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>7.15</u>	<u>5.54</u>	<u>23.77</u>	<u>21.65</u>

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### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2009

	Share Capital RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>As at 1 December 2007</b>	172,500	(8)	77,187	249,679	76	249,755
Dividends	-	-	(44,850)	(44,850)	-	(44,850)
Foreign exchange translation differences	-	(19)	-	(19)	-	(19)
Profit for the year	-	-	74,690	74,690	-	74,690
<b>As at 30 November 2008</b>	<u>172,500</u>	<u>(27)</u>	<u>107,027</u>	<u>279,500</u>	<u>76</u>	<u>279,576</u>

	Share Capital RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>As at 1 December 2008</b>	172,500	(27)	107,027	279,500	76	279,576
Share issued to minority interest	-	-	-	-	34	34
Acquisition of minority interest	-	-	-	-	263	263
Dividends	-	-	(41,400)	(41,400)	-	(41,400)
Foreign exchange translation differences	-	6	-	6	-	6
Profit for the year	-	-	82,005	82,005	52	82,057
<b>As at 30 November 2009</b>	<u>172,500</u>	<u>(21)</u>	<u>147,632</u>	<u>320,111</u>	<u>425</u>	<u>320,536</u>

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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2009

	<b>Current Year To Date 30.11.2009 RM'000 (Unaudited)</b>	<b>Preceding Year To Date 30.11.2008 RM'000 (Audited)</b>
Net cash from operating activities	68,396	50,470
Net cash from / (used in) investing activities	1,700	(29,585)
Net cash used in financing activities	(51,716)	(34,548)
Net increase / (decrease) in cash and cash equivalents	<u>18,380</u>	<u>(13,663)</u>
Cash and cash equivalents at beginning of financial year	106,481	120,133
Effect of exchange differences on cash and cash equivalents of foreign subsidiaries	174	11
Cash and cash equivalents at end of financial year (Note 1)	<u><u>125,035</u></u>	<u><u>106,481</u></u>

### NOTE 1:

Cash and cash equivalents consist of :-

	<b>As at 30.11.2009 RM'000</b>	<b>As at 30.11.2008 RM'000</b>
Short term deposits with licensed banks	104,109	90,859
Cash and bank balances	20,975	15,670
	<u>125,084</u>	<u>106,529</u>
Less: Deposits pledged	(49)	(48)
Total cash and cash equivalents	<u><u>125,035</u></u>	<u><u>106,481</u></u>

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

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### NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 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:

#### 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 was 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 year to date.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2009 (Cont'd)**

**7. Dividends Paid**

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

- 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;
- 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;
- iii) A first 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 2009 on 29 May 2009;
- iv) A second 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 2009 on 28 August 2009; and
- v) 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 2009 on 26 November 2009.

**8. Segment Revenue and Results**

*Financial data by business segment for the Group*

	← Current Year To Date 30 November 2009 →			
	Revenue RM'000	%	Operating Profit/(Loss) Before Tax RM'000	%
Multi-level Marketing	311,589	99	84,826	99
Investment Holding	3,456	1	1,327	2
Others	230	0	(416)	-1
	315,275	100	85,737	100

**9. Revaluation of Property, Plant and Equipment**

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

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2009 (Cont'd)**

**10. Material Post Balance Sheet Events**

On 8 September 2009, a wholly-owned subsidiary of the Company, Zhulain Development Sdn Bhd entered into a sale and purchase agreement to dispose of its land held for development with a gain of RM1.3 million. The transaction was completed in December 2009.

**11. Changes in Group's Composition**

There were no changes in the composition of the Group during the current financial year to-date other than the following:

- i. Zhulian Management Sdn Bhd, a wholly-owned subsidiary has acquired 60% equity in Pt Zhulian Indonesia, a direct marketing of costume jewellery and consumer products in Indonesia at a cash consideration of RM1.6 million;
- ii On 26 August 2009, the Company has incorporated a 80% owned subsidiary, Zhulian Labuan Limited. The principal activity of this subsidiary is investment holding.

**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 RM102.704 million and revenue of RM315.275 million for the financial year to date. The profit before taxation and revenue for the current quarter under review was RM31.151 million and RM87.210 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 the overseas. The increase in profit before tax was in line with the increase in revenue.

**15. Current year prospects**

The Board of Directors expects the Group's performance for year 2010 to be satisfactory.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2009 (Cont'd)**

**16. Variance of Actual Profit from Forecast Profit**

Not applicable.

**17. Taxation**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2009 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2008 RM'000 (Unaudited)	Current Year To date 30.11.2009 RM'000 (Unaudited)	Preceding Year To date 30.11.2008 RM'000 (Audited)
-Current Year	6,450	6,553	21,838	20,526
-Prior Year	-	-	(1,191)	(223)
Total	<u>6,450</u>	<u>6,553</u>	<u>20,647</u>	<u>20,303</u>

The tax over profit before tax (excluding the share of profit after tax of associate) for the cumulative quarters of the current year was 24%, slightly lower than the statutory tax rate of 25%.

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

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

**19. Purchase or Disposal of Quoted Securities**

Total investments in quoted securities:

Quoted investment in Malaysia	30 November 2009 RM'000
At cost b/f	7,653
Total additions during the year	521
	<hr/>
At cost c/f	8,174
Less: Allowance for diminution in value	(2,100)
Carrying amount c/f	<hr/> 6,074 <hr/>
Market value of quoted investments	<hr/> 6,091 <hr/>

The additions were in respect of the dividend income received in the form of quoted investments.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2009 (Cont'd)**

**20. Status of Corporate Proposals**

There was no corporate proposal being announced during the year.

**21. Group Borrowings**

There were no borrowings as at the end of the year 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**

A fourth interim single tier dividend of 3 sen and special interim single tier dividend of 2 sen per ordinary share of RM0.50 each, totalling RM17,250,000 in respect of financial year ended 30 November 2009 have been declared on 20 January 2010, based on the share capital of 345,000,000 ordinary shares.

In respect of deposited securities, entitlements to the interim dividend will be determined based on shareholders registered in the record of depositors as at 11 February 2010. The payment date is 1 March 2010.

**24. Capital Commitment**

As at 30 November 2009, there were capital commitments of RM30.219 million, mainly in respect of building reconstruction.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2009 (Cont'd)**

25. **Basic Earnings per Share**

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2009 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2008 RM'000 (Unaudited)	Current Year To Date 30.11.2009 RM'000 (Unaudited)	Preceding Year To Date 30.11.2008 RM'000 (Audited)
Net profit for the year / period (RM'000)	<u>24,670</u>	<u>19,102</u>	<u>82,005</u>	<u>74,690</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>7.15</u>	<u>5.54</u>	<u>23.77</u>	<u>21.65</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  
20 January 2010  
Penang