

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 Financial Year End 30.11.2010 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2009 RM'000 (Audited)
Assets		
Property, plant and equipment	102,607	86,969
Prepaid lease payments	11,537	12,047
Investment property	363	373
Land held for development	6,092	6,092
Investment in an associate	51,279	30,752
Other investments	6,535	6,074
Goodwill	1,168	1,168
Deferred tax assets	547	226
Total non-current assets	180,128	143,701
Receivables, deposits and prepayments	48,260	51,914
Inventories	44,350	47,873
Current tax assets	1,327	158
Asset classified as held for sale	-	4,604
Cash and cash equivalents	131,547	125,084
Total current assets	225,484	229,633
Total assets	405,612	373,334
Equity		
Share capital	230,000	172,500
Reserves	121,987	147,611
Total equity attributable to equity holders of the Company	351,987	320,111
Minority interest	32	425
Total equity	352,019	320,536
Liabilities		
Deferred tax liabilities	2,935	1,360
Total non-current liabilities	2,935	1,360
Payables and accruals	47,490	46,757
Current tax liabilities	3,168	4,681
Total current liabilities	50,658	51,438
Total liabilities	53,593	52,798
Total equity and liabilities	405,612	373,334
Net assets per share (sen)	76.52	69.59 *

* restated for effect of bonus shares issued on 21 July 2010

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 2010**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2010 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2009 RM'000 (Unaudited)	Current Year To Date 30.11.2010 RM'000 (Unaudited)	Preceding Year To Date 30.11.2009 RM'000 (Audited)
Revenue	84,896	87,210	322,611	315,275
Profit from operations	20,928	26,211	75,499	85,737
Share of profit after tax and minority interest of equity accounted associate	8,894	4,940	30,398	16,967
Profit before tax	29,822	31,151	105,897	102,704
Income tax expense	(5,580)	(6,450)	(19,225)	(20,647)
Profit for the period	24,242	24,701	86,672	82,057
Attributable to:				
Equity holders of the Company	24,289	24,670	87,065	82,005
Minority interest	(47)	31	(393)	52
Profit for the period / year	24,242	24,701	86,672	82,057
<i>Weighted average number of shares in issue ('000) -adjusted for the effect of bonus shares issued on 21 July 2010</i>	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	5.28	5.36	18.93	17.83

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2010

	Share Capital RM'000	Non- distributable Translation Reserve RM'000	Distributable 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
Shares issued to minority interest	-	-	-	-	34	34
Acquisition of subsidiary	-	-	-	-	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
As at 30 November 2009	<u>172,500</u>	<u>(21)</u>	<u>147,632</u>	<u>320,111</u>	<u>425</u>	<u>320,536</u>

	Share Capital RM'000	Non- distributable Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
As at 1 December 2009	172,500	(21)	147,632	320,111	425	320,536
Bonus issue	57,500	-	(57,500)	-	-	-
Dividends	-	-	(55,200)	(55,200)	-	(55,200)
Foreign exchange translation differences	-	11	-	11	-	11
Profit for the year	-	-	87,065	87,065	(393)	86,672
As at 30 November 2010	<u>230,000</u>	<u>(10)</u>	<u>121,997</u>	<u>351,987</u>	<u>32</u>	<u>352,019</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2010

	Current Year To Date 30.11.2010 RM'000 (Unaudited)	Preceding Year To Date 30.11.2009 RM'000 (Audited)
Net cash from operating activities	80,759	68,395
Net cash (used in) / from investing activities	(19,062)	1,701
Net cash used in financing activities	(55,200)	(51,716)
Net increase in cash and cash equivalents	<u>6,497</u>	<u>18,380</u>
Cash and cash equivalents at beginning of financial year	125,035	106,481
Effect of exchange differences on cash and cash equivalents of foreign subsidiaries	(33)	174
Cash and cash equivalents at end of financial year (Note 1)	<u><u>131,499</u></u>	<u><u>125,035</u></u>

NOTE 1:

Cash and cash equivalents consist of :-

	As at 30.11.2010 RM'000	As at 30.11.2009 RM'000
Short term deposits with licensed banks	110,966	104,109
Cash and bank balances	20,581	20,975
	<u>131,547</u>	<u>125,084</u>
Less: Deposit pledged	(48)	(49)
Total cash and cash equivalents	<u><u>131,499</u></u>	<u><u>125,035</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 2010

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 2009. 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 2009.

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 2009.

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 2010 (Cont'd)**

7. Dividends Paid

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

- i) A fourth interim single tier dividend of 3 sen and a special interim single tier dividend of 2 sen per ordinary share of RM0.50 each, totalling RM17,250,000 in respect of the financial year ended 30 November 2009 on 1 March 2010;
- ii) 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 2010 on 27 May 2010;
- iii) A second interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the financial year ended 30 November 2010 on 30 August 2010; and
- iv) A third interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of the financial year ended 30 November 2010 on 29 November 2010.

8. Segment Revenue and Results

The Group is principally engaged in the manufacturing and sale of costume jewellery and consumer products on a direct sales basis. Business segment information has therefore not been prepared as the Group's revenue, operation profit, assets employed, capital expenditure, depreciation and amortisation and non-cash expenses are mainly confined to one business segment.

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 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 2010, except for the increase in paid up capital on 23 August 2010 to RM500,000 for Dexassets Sdn Bhd, a wholly owned subsidiary of the Company.

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.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2010 (Cont'd)**

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 RM29.822 million and revenue of RM84.896 million for the fourth quarter of FY 2010. The profit before taxation and revenue for the financial year to date was RM105.897 million and RM322.611 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 of RM84.896 million was higher than the immediate preceding quarter's revenue of RM73.468 million, mainly due to the increase in market demands for both local and overseas. The current quarter's profit before tax of RM29.822 million has increased as compared to the immediate preceding quarter's profit before tax of RM23.962 million, which was in line with the increase in revenue.

15. Current year prospects

The Board of Directors expects the Group's performance for year 2011 to be satisfactory.

16. Variance of Actual Profit from Forecast Profit

Not applicable.

17. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2010 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2009 RM'000 (Unaudited)	Current Year To date 30.11.2010 RM'000 (Unaudited)	Preceding Year To date 30.11.2009 RM'000 (Audited)
-Current Year	5,290	6,450	19,053	21,452
-Prior Year	290	-	172	(805)
Total	<u>5,580</u>	<u>6,450</u>	<u>19,225</u>	<u>20,647</u>

The tax over profit before tax (excluding share of profit after tax of associate) for the cumulative quarters of the current year was 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.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2010 (Cont'd)****19. Purchase or Disposal of Quoted Securities**

Total investments in quoted securities:

Quoted investment in Malaysia	30 November 2010 RM'000
At cost b/f	8,174
Total additions during the period	161
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At cost c/f	8,335
Less: Allowance for diminution in value	<hr/> (1,800) <hr/>
Carrying amount c/f	<hr/> 6,535 <hr/>
Market value of quoted investments	<hr/> 6,571 <hr/>

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

20. Status of Corporate Proposals

There was no corporate proposal being announced during the period other than the proposed bonus issue which was completed on 21 July 2010.

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 per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of financial year ended 30 November 2010 has been declared on 26 January 2011, based on the enlarged share capital of 460,000,000 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 18 February 2011. The payment date is 8 March 2011.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2010 (Cont'd)**

24. Capital Commitment

As at 30 November 2010, there were capital commitments of RM22.756 million, mainly in respect of building reconstruction and land acquisition.

The above capital commitments include acquisition of a land held under PN 5876, Lot 12414, Mukim 12, Daerah Barat Daya Negeri Pulau Pinang. Dexassets Sdn Bhd, a wholly owned subsidiary of the Company has entered into the said land sale and purchase agreement on 29 July 2010 with a purchase consideration of RM12 million. The approval for the land transfer has been obtained from relevant authorities.

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 30.11.2010 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2009 RM'000 (Unaudited)	Current Year To Date 30.11.2010 RM'000 (Unaudited)	Preceding Year To Date 30.11.2009 RM'000 (Audited)
Net profit for the period (RM'000)	24,289	24,670	87,065	82,005
<i>Weighted average number of shares in issue ('000) *</i>	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	5.28	5.36	18.93	17.83

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

** The weighted average number of shares in issue was adjusted for bonus shares issued on 21 July 2010.*

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2010 (Cont'd)

26. Realised and Unrealised Profit or Losses Disclosure

Total retained profits/ (accumulated losses) of the Company and its subsidiaries:	Current financial year 30.11.2010	As at the end of last financial year 30.11.2009
-Realised	122,906	147,223
-Unrealised	(909)	409
Total retained profits	<u>121,997</u>	<u>147,632</u>

By Order of the Board

Lam Voon Kean
Secretary
26 January 2011
Penang