

**ZHULIAN CORPORATION BERHAD** (415527-P)

Plot 42, Bayan Lepas Industrial Estate,  
Phase IV, 11900 Penang, Malaysia.  
Tel: 604-6162020 Fax: 604-6425989

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2013**

	<b>As at end of Current Quarter 30.11.2013 RM'000 (Unaudited)</b>	<b>As at Preceding Financial Year End 30.11.2012 RM'000 (Audited)</b>
<b>Assets</b>		
Property, plant and equipment	132,341	127,460
Investment properties	16,457	16,708
Investment in an associate	128,980	97,120
Other investments-available for sale financial assets	7,778	7,039
Goodwill	1,168	1,168
Deferred tax assets	2,647	1,061
<b>Total non-current assets</b>	<u>289,371</u>	<u>250,556</u>
Inventories	81,735	61,991
Receivables, deposits and prepayments	53,906	77,673
Current tax assets	3,809	942
Cash and cash equivalents	128,698	137,683
<b>Total current assets</b>	<u>268,148</u>	<u>278,289</u>
<b>Total assets</b>	<u><u>557,519</u></u>	<u><u>528,845</u></u>
<b>Equity</b>		
Share capital	230,000	230,000
Reserves	274,145	221,844
<b>Total equity attributable to owners of the Company</b>	<u>504,145</u>	<u>451,844</u>
<b>Non-controlling interests</b>	<u>29</u>	<u>29</u>
<b>Total equity</b>	<u><u>504,174</u></u>	<u><u>451,873</u></u>
<b>Liabilities</b>		
Deferred tax liabilities	4,904	4,272
<b>Total non-current liabilities</b>	<u>4,904</u>	<u>4,272</u>
Payables and accruals	41,765	67,107
Current tax liabilities	6,676	5,593
<b>Total current liabilities</b>	<u>48,441</u>	<u>72,700</u>
<b>Total liabilities</b>	<u>53,345</u>	<u>76,972</u>
<b>Total equity and liabilities</b>	<u><u>557,519</u></u>	<u><u>528,845</u></u>
Net assets per share (sen)	109.60	98.23

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 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2013 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2012 RM'000 (Unaudited)	Current Year To Date 30.11.2013 RM'000 (Unaudited)	Preceding Year To Date 30.11.2012 RM'000 (Audited)
<b>Revenue</b>	77,973	117,181	417,056	450,425
<b>Results from operating activities</b>	15,131	24,149	94,388	94,336
Share of profit of equity accounted investee, net of tax	3,686	13,331	50,945	46,991
<b>Profit before tax</b>	18,817	37,480	145,333	141,327
Income tax expense	(5,082)	(6,156)	(24,323)	(24,233)
<b>Profit for the year</b>	13,735	31,324	121,010	117,094
<b>Other comprehensive income, net of tax</b>				
Foreign currency translation differences for foreign operations	252	69	307	171
Fair value of available-for-sale financial assets	479	(14)	800	290
Share of other comprehensive income / (expense) of equity accounted investee, net of tax	(2,002)	(3,215)	1,484	(2,833)
<b>Other comprehensive income/(expense) for the year, net of tax</b>	(1,271)	(3,160)	2,591	(2,372)
<b>Total comprehensive income for the year</b>	12,464	28,164	123,601	114,722
<b>Profit attributable to:</b>				
Owners of the Company	13,735	31,327	121,010	117,097
Non-controlling interests	-	(3)	-	(3)
<b>Profit for the year</b>	13,735	31,324	121,010	117,094
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	12,464	28,167	123,601	114,725
Non-controlling interests	-	(3)	-	(3)
<b>Total comprehensive income for the year</b>	12,464	28,164	123,601	114,722
<i>Weighted average number of shares in issue ('000)</i>	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	2.99	6.81	26.31	25.46

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

Individual Quarter		Cumulative Quarters	
Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
30.11.2013	30.11.2012	30.11.2013	30.11.2012
RM'000	RM'000	RM'000	RM'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Included in the Total Comprehensive Income for the year are the following:

Interest income	(1,125)	(1,053)	(3,986)	(4,123)
Other income including investment income	-	-	-	-
Interest expense	-	-	-	-
Depreciation and amortisation	3,165	2,089	9,850	8,840
(Reversal of) / Provision for and write off of receivables	3	249	2	(146)
(Reversal of) / Provision for and write off of inventories	78	(568)	149	1,194
(Gain) / Loss on disposal of quoted / unquoted investments	-	-	(40)	-
(Gain) / Loss on disposal of properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain) or loss	2,718	(3,185)	(5,062)	2,923
(Gain) or Loss on derivatives	-	-	-	-

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Share Capital RM'000	Non- distributable Translation Reserve RM'000	Non- distributable Fair Value Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>At 1 December 2011</b>	230,000	181	21	162,117	392,319	32	392,351
Foreign currency translation differences for foreign operations	-	171	-	-	171	-	171
Fair value of available-for-sale financial assets	-	-	290	-	290	-	290
Share of other comprehensive income of equity accounted investee, net of tax	-	(2,833)	-	-	(2,833)	-	(2,833)
Total other comprehensive income for the period	-	(2,662)	290	-	(2,372)	-	(2,372)
Profit for the year	-	-	-	117,097	117,097	(3)	117,094
<b>Total comprehensive income for the year</b>	-	(2,662)	290	117,097	114,725	(3)	114,722
Dividends to owners of the Company	-	-	-	(55,200)	(55,200)	-	(55,200)
<b>At 30 NOVEMBER 2012</b>	230,000	(2,481)	311	224,014	451,844	29	451,873

	Share Capital RM'000	Non- distributable Translation Reserve RM'000	Non- distributable Fair Value Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>At 1 December 2012</b>	230,000	(2,481)	311	224,014	451,844	29	451,873
Foreign currency translation differences for foreign operations	-	307	-	-	307	-	307
Fair value of available-for-sale financial assets	-	-	800	-	800	-	800
Share of other comprehensive income of equity accounted investee, net of tax	-	1,484	-	-	1,484	-	1,484
Total other comprehensive income for the period	-	1,791	800	-	2,591	-	2,591
Profit for the year	-	-	-	121,010	121,010	-	121,010
<b>Total comprehensive income for the year</b>	-	1,791	800	121,010	123,601	-	123,601
Dividends to owners of the Company	-	-	-	(71,300)	(71,300)	-	(71,300)
<b>At 30 NOVEMBER 2013</b>	230,000	(690)	1,111	273,724	504,145	29	504,174

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 NOVEMBER 2013**

	Current Year To Date 30.11.2013 RM'000 (Unaudited)	Preceding Year To Date 30.11.2012 RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	145,333	141,327
Adjustments for		
Non-cash items	(41,436)	(38,324)
Non-operating items	(3,986)	(4,129)
Operating profit before working capital changes	99,911	98,874
Changes in working capital	(6,282)	(32,927)
Cash generated from operating activities	93,629	65,947
Tax paid	(25,163)	(21,720)
Dividends received	18,511	19,303
<i>Net cash from operating activities</i>	86,977	63,530
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(365)	(308)
Proceeds from disposal of investments	466	-
Capital expenditure	(14,637)	(15,873)
Interest received	3,986	4,123
<i>Net cash used in investing activities</i>	(10,550)	(12,058)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid to owners of the Company	(85,100)	(41,400)
<i>Net cash used in financing activity</i>	(85,100)	(41,400)
Net (decrease) / increase in cash and cash equivalents	(8,673)	10,072
Cash and cash equivalents at 1 December	137,634	127,654
Effects of exchange rates on cash and cash equivalents	(314)	(92)
<b>Cash and cash equivalents at 30 NOVEMBER (Note 1)</b>	<b>128,647</b>	<b>137,634</b>
<b>NOTE 1:</b>		
Cash and cash equivalents consist of :-		
	<b>RM'000</b>	<b>RM'000</b>
Short term deposits with licensed banks	101,997	116,492
Cash and bank balances	26,701	21,191
	128,698	137,683
Less: Deposit pledged	(51)	(49)
Total cash and cash equivalents	128,647	137,634

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### NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2013

#### 1. **Basis of Preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 November 2012.

The Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements.

#### 2. **Auditors' Qualification**

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

#### 3. **Seasonal or Cyclical Factors**

The Group's performance is not affected by any seasonal or cyclical factors.

#### 4. **Exceptional Items**

There were no material exceptional 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 period to date.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2013 (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 single tier dividend of 3.5 sen per ordinary share of RM 0.50 each, totalling RM29,900,000 in respect of financial year ended 30 November 2012 on 13 March 2013. The total dividend paid by the Company for the year ended 30 November 2012 was 15.5 sen per ordinary share of RM 0.50 each;
- ii) A first interim single tier dividend of 3 sen per ordinary share of RM 0.50 each, totalling RM13,800,000 in respect of the financial year ending 30 November 2013 on 28 May 2013;
- iii) A second interim single tier dividend of 3 sen per ordinary share of RM 0.50 each, totalling RM13,800,000 in respect of the financial year ending 30 November 2013 on 28 August 2013; and
- iv) A third interim single tier dividend of 3 sen per ordinary share of RM 0.50 each, totalling RM13,800,000 in respect of the financial year ending 30 November 2013 on 29 November 2013.

**8. Segment Revenue and Results**

The Group is principally confined to the manufacturing and sale of costume jewellery and consumer products on a direct sales basis. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating 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 2013.

**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 2013 (Cont'd)**

**13. Review of Group's Performance**

The Group's revenue for the period under review of RM 417.056 million was lower by RM 33.37 million, as compared to the revenue in the corresponding period last year of RM450.425 million. The decrease in revenue was mainly due to a fall in the local market demand.

The Group's profit before tax was RM145.333 million, with an increase of RM4.006 million as compared to last year's corresponding period of RM 141.327 million. The increase in profit before tax was mainly contributed by the increase in share of profit of equity accounted investee.

**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 RM77.973 million was lower than the immediate preceding quarter's revenue of RM124.130 million. This was mainly due to decrease in overseas market demand during the fourth quarter.

The current quarter's profit before tax of RM18.817 million was lower as compared to the immediate preceding quarter's profit before tax of RM48.787 million. This was in line with the decrease in revenue and share of profit of equity accounted investee.

**15. Current year prospects**

The economic outlook is expected to be more challenging in the current year for escalating price of fuel and food and also hike in electricity tariff may affect the consumer sentiment on spending in domestic market while the rising political uncertainties in Thailand may also cause an impact to our export demand. In anticipating such situation, the Group will continue its promotional efforts to boost the productivity of distributors and at the same time remaining active in innovating its product portfolio and develop new product, so that its customer base can be expanded through promotional campaigns and introduction of new products.

While enhancing the existing's market position, the Group will also continue its drive to create new business opportunities to expand existing distributor network. Towards this purpose, the Group is actively evaluating various initiatives and opportunities to develop new markets.

Barring unforeseen circumstances, the Board of Directors remains optimistic of the Group's performance for financial year ending 30 November 2014.

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

Not applicable.



**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2013 (Cont'd)****17. Taxation**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2013 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2012 RM'000 (Unaudited)	Current Year To date 30.11.2013 RM'000 (Unaudited)	Preceding Year To date 30.11.2012 RM'000 (Audited)
-Current Year	5,318	5,702	25,205	23,779
-Prior Year	<u>(236)</u>	<u>454</u>	<u>(882)</u>	<u>454</u>
Total	<u>5,082</u>	<u>6,156</u>	<u>24,323</u>	<u>24,233</u>

**18. Status of Corporate Proposals**

There was no corporate proposal being announced during the period.

**19. Group Borrowings**

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

**20. Off Balance Sheet Financial Instruments**

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

**21. Dividend Declared**

A fourth interim single tier dividend of 3 sen and a special single tier dividend of 4 sen per ordinary share of RM0.50 each, totalling RM32,200,000 in respect of financial year ended 30 November 2013 have been declared on 22 January 2014, based on the 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 14 February 2014. The payment date is 7 March 2014.

The total dividend paid by the Company for the year ended 30 November 2013 was 16 sen per ordinary share of RM0.50 each.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2013 (Cont'd)****22. Capital Commitment**

As at 30 November 2013, there were capital commitments of RM23 million.

**23. 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 30.11.2013 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2012 RM'000 (Unaudited)	Current Year To Date 30.11.2013 RM'000 (Unaudited)	Preceding Year To Date 30.11.2012 RM'000 (Audited)
Net profit for the period (RM'000)	<u>13,735</u>	<u>31,327</u>	<u>121,010</u>	<u>117,097</u>
<i>Number of shares in issue ('000)</i>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>
Basic earnings per share (sen)	<u>2.99</u>	<u>6.81</u>	<u>26.31</u>	<u>25.46</u>

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

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2013 (Cont'd)****24. Realised and Unrealised Profit or Losses Disclosure**

Total retained earnings of the Company and its subsidiaries:	As at financial year 30.11.2013 RM'000	As at financial year 30.11.2012 RM'000
-Realised	277,292	261,308
-Unrealised	(3,367)	(5,141)
	<hr/>	<hr/>
	273,925	256,167
 Total share of retained earnings of an associate:		
-Realised	120,021	89,292
-Unrealised	(181)	173
	<hr/>	<hr/>
	119,840	89,465
 Less: consolidation adjustments	(120,041)	(121,618)
	<hr/>	<hr/>
Total retained earnings	273,724	224,014

By Order of the Board

Tai Yit Chan (MAICSA 7009143)  
Ong Tze-En (MAICSA 7026537)  
Joint Company Secretaries  
22 January 2014  
Penang