

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 2014**

	As at end of Financial Year 30.11.2014 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2013 RM'000 (Audited)
Assets		
Property, plant and equipment	138,926	132,341
Investment properties	16,207	16,457
Investment in an associate	150,376	128,980
Other investments-available for sale financial assets	6,575	7,778
Goodwill	1,168	1,168
Deferred tax assets	2,172	2,647
Total non-current assets	<u>315,424</u>	<u>289,371</u>
Inventories	78,572	81,735
Receivables, deposits and prepayments	30,621	53,906
Current tax assets	3,475	3,809
Cash and cash equivalents	92,369	128,698
Total current assets	<u>205,037</u>	<u>268,148</u>
Total assets	<u><u>520,461</u></u>	<u><u>557,519</u></u>
Equity		
Share capital	230,000	230,000
Reserves	253,214	274,145
Total equity attributable to owners of the Company	<u>483,214</u>	<u>504,145</u>
Non-controlling interests	26	29
Total equity	<u>483,240</u>	<u>504,174</u>
Liabilities		
Deferred tax liabilities	2,493	4,904
Total non-current liabilities	<u>2,493</u>	<u>4,904</u>
Payables and accruals	34,120	41,765
Current tax liabilities	608	6,676
Total current liabilities	<u>34,728</u>	<u>48,441</u>
Total liabilities	<u>37,221</u>	<u>53,345</u>
Total equity and liabilities	<u><u>520,461</u></u>	<u><u>557,519</u></u>
Net assets per share (sen)	105.05	109.60

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

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2014**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2014 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2013 RM'000 (Audited)	Current Year To Date 30.11.2014 RM'000 (Unaudited)	Preceding Year To Date 30.11.2013 RM'000 (Audited)
Revenue	54,711	77,973	243,686	417,056
Results from operating activities	9,110	15,131	33,260	94,388
Share of profit of equity accounted investee, net of tax	3,852	3,686	24,649	50,945
Profit before tax	12,962	18,817	57,909	145,333
Income tax expense	(1,665)	(5,082)	(10,795)	(24,323)
Profit for the year	11,297	13,735	47,114	121,010
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(146)	252	(107)	307
Fair value of available-for-sale financial assets	(755)	479	(366)	800
Share of other comprehensive (expense) / income of equity accounted investee, net of tax	5,117	(2,002)	2,300	1,484
Other comprehensive (expense) / income for the year, net of tax	4,216	(1,271)	1,827	2,591
Total comprehensive income for the year	15,513	12,464	48,941	123,601
Profit attributable to:				
Owners of the Company	11,300	13,735	47,117	121,010
Non-controlling interests	(3)	-	(3)	-
Profit for the year	11,297	13,735	47,114	121,010
Total comprehensive income attributable to:				
Owners of the Company	15,516	12,464	48,944	123,601
Non-controlling interests	(3)	-	(3)	-
Total comprehensive income for the year	15,513	12,464	48,941	123,601
<i>Weighted average number of shares in issue ('000)</i>	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	2.46	2.99	10.24	26.31

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

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2014**

Individual Quarter		Cumulative Quarters	
Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
30.11.2014	30.11.2013	30.11.2014	30.11.2013
RM'000	RM'000	RM'000	RM'000
(Unaudited)	(Audited)	(Unaudited)	(Audited)

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

Interest income	(844)	(1,125)	(3,774)	(3,986)
Other income including investment income	-	-	-	-
Interest expense	-	-	-	-
Depreciation and amortisation	2,751	3,165	10,781	9,850
(Reversal of) / Provision for and write off of receivables	-	3	(1)	2
(Reversal of) / Provision for and write off of inventories	(507)	78	176	149
(Gain) / Loss on disposal of quoted / unquoted investments	(398)	-	(377)	(40)
(Gain) / Loss on disposal of properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain) or loss	(2,163)	2,718	(2,047)	(5,062)
(Gain) or Loss on derivatives	-	-	-	-

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

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2014**

	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
At 1 December 2012	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 year	-	1,791	800	-	2,591	-	2,591
Profit for the year	-	-	-	121,010	121,010	-	121,010
Total comprehensive income for the year	-	1,791	800	121,010	123,601	-	123,601
Dividends to owners of the Company	-	-	-	(71,300)	(71,300)	-	(71,300)
At 30 November 2013	230,000	(690)	1,111	273,724	504,145	29	504,174

	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
At 1 December 2013	230,000	(690)	1,111	273,724	504,145	29	504,174
Foreign currency translation differences for foreign operations	-	(107)	-	-	(107)	-	(107)
Fair value of available-for-sale financial assets	-	-	(366)	-	(366)	-	(366)
Share of other comprehensive income of equity accounted investee, net of tax	-	2,300	-	-	2,300	-	2,300
Total other comprehensive income for the year	-	2,193	(366)	-	1,827	-	1,827
Profit for the year	-	-	-	47,117	47,117	(3)	47,114
Total comprehensive income for the year	-	2,193	(366)	47,117	48,944	(3)	48,941
Changes in ownership interests in a subsidiary	-	-	-	(875)	(875)	-	(875)
Dividends to owners of the Company	-	-	-	(69,000)	(69,000)	-	(69,000)
At 30 November 2014	230,000	1,503	745	250,966	483,214	26	483,240

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

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 CASH FLOW
FOR THE YEAR ENDED 30 NOVEMBER 2014**

	Current Year To Date 30.11.2014 RM'000 (Unaudited)	Preceding Year To Date 30.11.2013 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	57,909	145,333
Adjustments for		
Non-cash items	(21,532)	(41,436)
Non-operating items	(3,774)	(3,986)
Operating profit before working capital changes	<u>32,603</u>	<u>99,911</u>
Changes in working capital	18,529	(6,282)
Cash generated from operating activities	<u>51,132</u>	<u>93,629</u>
Tax paid	(14,418)	(25,163)
Dividends received from associate	8,895	18,511
<i>Net cash from operating activities</i>	<u>45,609</u>	<u>86,977</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other investments	(500)	(365)
Proceeds from disposal of other investments	1,715	466
Capital expenditure	(17,079)	(14,637)
Interest received	3,774	3,986
acquisition of subsidiaries	(875)	-
<i>Net cash used in investing activities</i>	(12,965)	(10,550)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to owners of the Company	(69,000)	(85,100)
Withdrawal of pledged fixed deposit	51	-
<i>Net cash used in financing activity</i>	(68,949)	(85,100)
Net decrease in cash and cash equivalents	<u>(36,305)</u>	<u>(8,673)</u>
Cash and cash equivalents at 1 December	128,647	137,634
Effects of exchange rates on cash and cash equivalents	27	(314)
Cash and cash equivalents at 30 November (Note 1)	<u><u>92,369</u></u>	<u><u>128,647</u></u>
NOTE 1:		
Cash and cash equivalents consist of :-		
	RM'000	RM'000
Short term deposits with licensed banks	65,640	101,997
Cash and bank balances	26,729	26,701
	<u>92,369</u>	<u>128,698</u>
Less: Deposit pledged	-	(51)
Total cash and cash equivalents	<u><u>92,369</u></u>	<u><u>128,647</u></u>

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

ZHULIAN CORPORATION BERHAD (415527-P)

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2014

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) and effective for this financial year:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (2011)
- MFRS 127, Separate Financial Statements (2011)
- MFRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to MFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to MFRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11, Joint Arrangements: Transition Guidance
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Transition Guidance

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 NOVEMBER 2014 (Cont'd)**

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.

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 4 sen per ordinary share of RM0.50 each, totalling RM32,200,000 in respect of financial year ended 30 Nov 2013 on 7 March 2014. The total dividend paid by the Company for the year ended 30 November 2013 was 16 sen per ordinary share of RM 0.50 each;
- ii) A first interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM13,800,000 in respect of financial year ending 30 November 2014 on 30 May 2014;
- iii) A second interim single tier dividend of 3 sen per ordinary share of RM0.50 each, totalling RM 13,800,000 in respect of financial year ending 30 November 2014 on 29 August 2014; and
- iv) A third interim single tier dividend of 2 sen per ordinary share of RM0.50 each, totalling RM9,200,000 in respect of financial year ending 30 November 2014 on 28 November 2014.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 NOVEMBER 2014 (Cont'd)**

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 period.

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 Group's Performance

The Group's revenue for the period under review of RM243.686 million was lower by RM173.370 million, as compared to the revenue in the corresponding period last year of RM417.056 million. The decrease in revenue was mainly due to a fall in both local and overseas market demands.

The Group's profit before tax was RM57.909 million, with a decrease of RM87.424 million as compared to last year's corresponding period of RM145.333 million. The decrease in profit before tax was in line with the drop in revenue and share of profit of accounted investee.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 NOVEMBER 2014 (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 of RM54.711 million was lower than the immediate preceding quarter's revenue of RM57.171 million. This was mainly due to decrease in local and overseas markets demands.

The current quarter's profit before tax of RM12.962 million was higher as compared to the immediate preceding quarter's profit before tax of RM12.853 million. This was mainly contributed by lower expenses incurred during the quarter.

15. Current year prospects

We expect the future market situation will improve in line with more intense marketing efforts to boost the productivity of Distributors.

In anticipating the challenges, the Group is taking prudent measures in evaluating various initiatives and opportunities to ensure our business continues to attract new distributors as well as retaining existing distributors, including increasing the effectiveness of our R&D effort in developing new products, introducing more promotional campaigns and improving the quality of our customer service. Furthermore, the Group will also continue to explore opportunities of tapping into new market segments through introduction of new products and venturing into new business segments.

Barring unforeseen circumstances, the Board of Directors remains cautiously optimistic of the Group's performance for FY2015.

16. Variance of Actual Profit from Forecast Profit

Not applicable.

17. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2014 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2013 RM'000 (Unaudited)	Current Year To date 30.11.2014 RM'000 (Unaudited)	Preceding Year To date 30.11.2013 RM'000 (Unaudited)
-Current Year	1,449	5,318	10,437	25,205
-Prior Year	216	(236)	358	(882)
Total	<u>1,665</u>	<u>5,082</u>	<u>10,795</u>	<u>24,323</u>

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 30 NOVEMBER 2014 (Cont'd)****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 2 sen per ordinary share of RM0.50 each, totalling RM9,200,000 in respect of financial year ended 30 November 2014 have been declared on 21 January 2015, 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 11 February 2015. The payment date is 11 March 2015.

22. Capital Commitment

As at 30 November 2014, there were capital commitments of RM30.8 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 30.11.2014 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2013 RM'000 (Unaudited)	Current Year To Date 30.11.2014 RM'000 (Unaudited)	Preceding Year To Date 30.11.2013 RM'000 (Unaudited)
Net profit for the period (RM'000)	11,300	13,735	47,117	121,010
<i>Number of shares in issue ('000)</i>	460,000	460,000	460,000	460,000
Basic earnings per share (sen)	2.46	2.99	10.24	26.31

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 PERIOD ENDED 30 NOVEMBER 2014 (Cont'd)****24. Realised and Unrealised Profit or Losses Disclosure**

Total retained earnings of the Company and its subsidiaries:	As at financial period 30.11.2014 RM'000	As at financial period 30.11.2013 RM'000
-Realised	231,563	277,292
-Unrealised	(503)	(3,367)
	<hr/>	<hr/>
	231,060	273,925
 Total share of retained earnings of an associate:		
-Realised	139,011	120,021
-Unrealised	(74)	(181)
	<hr/>	<hr/>
	138,937	119,840
 Less: consolidation adjustments	(119,031)	(120,041)
	<hr/>	<hr/>
Total retained earnings	250,966	273,724

By Order of the Board

Tai Yit Chan (MAICSA 7009143)
Ong Tze-En (MAICSA 7026537)
Joint Company Secretaries
21 January 2015
Penang