

ZHULIAN CORPORATION BERHAD (Registration No. 199701000031 (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 28 FEBRUARY 2021**

	Current Year To Date 28.02.2021 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2020 RM'000 (Audited)
Assets		
Property, plant and equipment	89,544	91,893
Right-of-use assets	16,395	18,235
Investment properties	24,912	22,726
Investment in an associate	148,957	226,023
Deferred tax assets	5,416	5,642
Total non-current assets	<u>285,224</u>	<u>364,519</u>
Inventories	43,574	44,868
Current tax assets	1,119	1,080
Trade and other receivables	31,292	30,412
Cash and cash equivalents	266,116	191,655
Total current assets	<u>342,101</u>	<u>268,015</u>
Total assets	<u>627,325</u>	<u>632,534</u>
Equity		
Share capital	230,000	230,000
Reserves	331,275	355,968
Total equity attributable to owners of the Company	<u>561,275</u>	<u>585,968</u>
Non-controlling interests	<u>-</u>	<u>-</u>
Total equity	<u>561,275</u>	<u>585,968</u>
Liabilities		
Lease liabilities	201	232
Deferred tax liabilities	1,830	1,830
Total non-current liabilities	<u>2,031</u>	<u>2,062</u>
Lease liabilities	122	121
Trade and other payables	60,987	41,171
Contract liabilities	210	178
Current tax liabilities	2,700	3,034
Total current liabilities	<u>64,019</u>	<u>44,504</u>
Total liabilities	<u>66,050</u>	<u>46,566</u>
Total equity and liabilities	<u>627,325</u>	<u>632,534</u>
<i>Net asset per ordinary share (sen)</i>	<i>122.02</i>	<i>127.38</i>

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 PERIOD ENDED 28 FEBRUARY 2021**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28.02.2021 RM'000 (Unaudited)	Preceding Year Quarter 29.02.2020 RM'000 (Unaudited)	Current Year To Date 28.02.2021 RM'000 (Unaudited)	Preceding Year To Date 29.02.2020 RM'000 (Unaudited)
Revenue	<u>41,445</u>	<u>44,842</u>	<u>41,445</u>	<u>44,842</u>
Results from operating activities	9,324	12,350	9,324	12,350
Share of profit of equity-accounted associate, net of tax	5,934	1,742	5,934	1,742
Profit before tax	<u>15,258</u>	<u>14,092</u>	<u>15,258</u>	<u>14,092</u>
Tax expense	(2,411)	(3,223)	(2,411)	(3,223)
Profit for the period attributable to owners of the Company	<u>12,847</u>	<u>10,869</u>	<u>12,847</u>	<u>10,869</u>
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(42)	(754)	(42)	(754)
Share of other comprehensive (expense)/income of equity-accounted associate	(698)	4,712	(698)	4,712
Total other comprehensive (expense)/income for the period, net of tax	<u>(740)</u>	<u>3,958</u>	<u>(740)</u>	<u>3,958</u>
Total comprehensive income for the period attributable to owners of the Company	<u>12,107</u>	<u>14,827</u>	<u>12,107</u>	<u>14,827</u>
Profit for the period attributable to:				
Owners of the Company	12,847	10,869	12,847	10,869
Non-controlling interests	-	-	-	-
	<u>12,847</u>	<u>10,869</u>	<u>12,847</u>	<u>10,869</u>
Total comprehensive income for the period attributable to:				
Owners of the Company	12,107	14,827	12,107	14,827
Non-controlling interests	-	-	-	-
	<u>12,107</u>	<u>14,827</u>	<u>12,107</u>	<u>14,827</u>
<i>Weighted average number of ordinary shares in issue ('000)</i>	<i>460,000</i>	<i>460,000</i>	<i>460,000</i>	<i>460,000</i>
<i>Basic earnings per ordinary share (sen)</i>	<u>2.79</u>	<u>2.36</u>	<u>2.79</u>	<u>2.36</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28.02.2021 RM'000 (Unaudited)	Preceding Year Quarter 29.02.2020 RM'000 (Unaudited)	Current Year To Date 28.02.2021 RM'000 (Unaudited)	Preceding Year To Date 29.02.2020 RM'000 (Unaudited)
Included in the Total Comprehensive Income for the period are the following:				
Interest income	(589)	(1,055)	(589)	(1,055)
Other income including investment income	(428)	(161)	(428)	(161)
Interest expense	4	-	4	-
Depreciation and amortisation	2,357	2,340	2,357	2,340
Provision for / (Reversal of) and write off of receivables	(22)	(40)	(22)	(40)
Provision for / (Reversal of) and write off of inventories	50	(65)	50	(65)
(Gain) or loss on disposal of property, plant and equipment	-	(2)	-	(2)
(Gain) or loss on disposal of quoted or unquoted investments	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain) or loss	649	(4,476)	649	(4,476)
(Gain) / Loss on derivatives	-	-	-	-

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

	Share Capital RM'000	Non- distributable Translation Reserve RM'000	Non- distributable Capital Reserve RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
At 1 December 2019	230,000	59,026	2,000	323,562	614,588
Foreign currency translation differences for foreign operations	-	(754)	-	-	(754)
Share of other comprehensive income of equity-accounted associate	-	4,712	-	-	4,712
Total other comprehensive income for the period	-	3,958	-	-	3,958
Profit for the period	-	-	-	10,869	10,869
Total comprehensive income for the period	-	3,958	-	10,869	14,827
Dividends to owners of the Company				(27,600)	(27,600)
At 29 February 2020	230,000	62,984	2,000	306,831	601,815

	Share Capital RM'000	Non- distributable Translation Reserve RM'000	Non- distributable Capital Reserve RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
At 1 December 2020	230,000	51,762	2,000	302,206	585,968
Foreign currency translation differences for foreign operations	-	(42)	-	-	(42)
Share of other comprehensive expense of equity-accounted associate	-	(698)	-	-	(698)
Total other comprehensive expense for the period	-	(740)	-	-	(740)
Profit for the period	-	-	-	12,847	12,847
Total comprehensive (expenses)/income for the period	-	(740)	-	12,847	12,107
Dividends to owners of the Company	-	-	-	(36,800)	(36,800)
At 28 February 2021	230,000	51,022	2,000	278,253	561,275

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

	Current Year To Date 28.02.2021 RM'000 (Unaudited)	Preceding Year To Date 29.02.2020 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,258	14,092
Adjustments for:		
Non-cash items	(4,229)	(747)
Non-operating items	(589)	(1,055)
Operating profit before changes in working capital	10,440	12,290
Changes in working capital	(2,738)	(3,342)
Cash generated from operations	7,702	8,948
Dividend received from an Associate	83,009	-
Interest paid	(4)	-
Tax paid	(2,557)	(3,043)
Retirement benefits paid	(134)	(1)
Net cash from operating activities	88,016	5,904
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(322)	(86)
Interest received	589	1,055
Proceeds from disposal of fixed assets	5	2
Net cash from investing activities	272	971
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to owners of the Company	(13,800)	(9,200)
Payment of lease liabilities	(30)	-
Net cash used in financing activity	(13,830)	(9,200)
Net increase in cash and cash equivalents	74,458	(2,325)
Cash and cash equivalents at 1 December	191,655	191,022
Effects of exchange rates on cash and cash equivalents	3	5
Cash and cash equivalents at 28 February (Note 1)	266,116	188,702
NOTE 1	RM'000	RM'000
Cash and cash equivalents consist of:		
Short term deposits with licensed banks	251,660	177,694
Cash and bank balances	14,456	11,008
Total cash and cash equivalents	266,116	188,702

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

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

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 2016 in Malaysia.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 30 November 2020, except as set out below.

New accounting pronouncements adopted for this interim financial report

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

The Group has performed the necessary assessments and concluded that the above accounting pronouncements do not have any significant impact to the Group

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021**

1. Basis of Preparation (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* and *Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be determined

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, amendments and interpretations in the respective financial years when the abovementioned accounting standards, amendments and interpretations become effective.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

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

Except as disclosed in the financial statements, there were no material exceptional items affecting the Group's assets, liabilities, equity, net income, or cash flows for the financial period under review.

5. Changes in Estimates

There was no material change in the estimates of amounts reported in prior financial year.

6. Debt and Equity Securities

There was no issuance or 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 declared a fourth interim dividend of 3 sen and a special dividend of 5 sen per ordinary share, totalling RM36,800,000 in respect of the financial year ended 30 November 2020 on 20 January 2021 and paid on 10 March 2021.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021****8. Segment Revenue and Results**

The Group principally manufactures jewellery and consumer products, thereafter sells through a direct marketing network. The analysis of revenue by reportable segments is based on the geographical location of the customers. The operations in Thailand are carried out by an associate of the Group.

Revenue	Individual Period		Changes %	Cumulative Period		Changes %
	Current Year Quarter	Preceding Year Quarter		Current Year To-date	Preceding Year Corresponding Period	
	28.02.2021 RM'000	29.02.2020 RM'000		28.02.2021 RM'000	29.02.2020 RM'000	
Malaysia	9,009	7,111	27%	9,009	7,111	27%
Thailand	25,500	36,444	(30%)	25,500	36,444	(30%)
Cambodia	3,968	853	365%	3,968	853	365%
Myanmar	2,387	-	100%	2,387	-	100%
Others	581	434	34%	581	434	34%
Total	41,445	44,842	(8%)	41,445	44,842	(8%)

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 Contingent Liabilities and Assets and Changes in Material Litigations

There was no material change in contingent liabilities and assets and material litigations as at the end of the reporting period.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021****12. Review of Group's Performance****Financial review for current quarter and financial period to date:**

	Individual Period		Changes	Cumulative Period		Changes
	Current Year Quarter	Preceding Year Quarter		Current Year To-date	Preceding Year Corresponding Period	
	28.02.2021 RM'000	29.02.2020 RM'000		28.02.2021 RM'000	29.02.2020 RM'000	
Revenue	41,445	44,842	(8%)	41,445	44,842	(8%)
Results from operating activities	9,324	12,350	(25%)	9,324	12,350	(25%)
Share of profit of equity-accounted associate, net of tax	5,934	1,742	241%	5,934	1,742	241%
Profit before tax	15,258	14,092	8%	15,258	14,092	8%
Profit after tax	12,847	10,869	18%	12,847	10,869	18%
Profit for the period attributable to owners of the Company	12,847	10,869	18%	12,847	10,869	18%

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue for the period under review was RM41.4 million, a decrease of RM3.4 million as compared to preceding year corresponding period of RM44.8 million. Preceding year corresponding period occurred before the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic on 11 March 2020, which has since caused severe global social and economic disruptions and uncertainties, including markets where the Group operates.

Share of profit of equity-accounted associate for the period under review was RM5.9 million, an increase of RM4.2 million as compared to preceding year corresponding period of RM1.7 million. The increase was mainly attributable to impairment of investment cost recorded in preceding year and which no longer recur in current year.

Profit before tax for the period under review was RM15.3 million, an increase of RM1.2 million as compared to preceding year corresponding period of RM14.1 million.

Consolidated Statement of Financial Position

The Group's total assets as at 28 February 2021 was RM627.3 million, a decrease of RM5.2 million from last financial year ended 30 November 2020 of RM632.5 million.

The Group's total liabilities as at 28 February 2021 was RM66.1 million, an increase of RM19.5 million from last financial year ended 30 November 2020 of RM46.6 million. The increase was mainly attributable to fourth interim dividend and special dividend declared for the financial year ended 30 November 2020 remained as payable as at 28 February 2021.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021****12. Review of Group's Performance (continued)****Consolidated Statement of Financial Position (continued)**

The Group's total equity as at 28 February 2021 was RM561.3 million, a decrease of RM24.7 million from last financial year ended 30 November 2020 of RM586.0 million.

The Group's net asset per ordinary share as at 28 February 2021 was RM1.22.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 28 February 2021 was RM266.1 million, an increase of RM74.5 million from last financial year ended 30 November 2020 of RM191.7 million.

The net cash inflow from the operating activities was RM88.0 million, mainly dividend received from an associate.

The net cash inflow from the investing activities was RM0.3 million.

The net cash outflow used in financing activities was RM13.8 million, mainly dividend paid to shareholders of the Group.

13. Material Changes in Profit before Tax reported as compared with the Immediate Preceding Quarter

Financial review for current quarter compared with immediate preceding quarter:

	Current Quarter	Immediate Preceding Quarter	Changes %
	28.02.2021 RM'000	30.11.2020 RM'000	
Revenue	41,445	43,600	(5%)
Results from operating activities	9,324	13,274	(30%)
Share of profit of equity-accounted associate, net of tax	5,934	3,139	89%
Profit before tax	15,258	16,413	(7%)
Profit after tax	12,847	13,553	(5%)
Profit for the period attributable to owners of the Company	12,847	13,553	(5%)

Revenue for the current quarter under review was RM41.5 million, a decrease of RM2.1 million as compared to immediate preceding quarter of RM43.6 million.

Share of profit of equity-accounted associate for the current quarter under review was RM5.9 million, an increase of RM2.8 million as compared to immediate preceding quarter of RM3.1 million. The increase was mainly attributable to impairment of investment cost recorded in preceding year and which no longer recur in current year.

Profit before tax for the current quarter under review was RM15.3 million, a decrease of RM1.1 million as compared to immediate preceding quarter of RM16.4 million.

Profit after tax for the current quarter under review was RM12.8 million, a decrease of RM0.8 million as compared to immediate preceding quarter of RM13.6 million.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021****14. Current year prospects**

The Group's business is closely linked to the sentiments of general consumer market and the fluctuating foreign currency exchange. Strengthening or weakening of Ringgit Malaysia against United States Dollar ("USD") will have an impact on the Group's performance as all export revenue are transacted in USD.

The Group ensures its business long term survival by adapting to the constant market demand change wherever possible, while remains cautious to the economic impact caused by the Coronavirus (COVID-19) outbreak. The Group is committed to continuously improve its' business operational efficiency and maintain sufficient cash flows in the year 2021.

15. Variance of Actual Profit from Forecast Profit

Not applicable.

16. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 28.02.2021 RM'000 (Unaudited)	Preceding Year Quarter 29.02.2020 RM'000 (Unaudited)	Current Year To Date 28.02.2021 RM'000 (Unaudited)	Preceding Year To Date 29.02.2020 RM'000 (Unaudited)
Current Year	2,411	3,223	2,411	3,223
Prior Year	-	-	-	-
Total	<u>2,411</u>	<u>3,223</u>	<u>2,411</u>	<u>3,223</u>

The effective tax rate for the current quarter under review is lower than statutory tax rate. The difference was mainly attributable to an associate operates in foreign jurisdiction and subject to lower applicable tax rate.

17. Status of Corporate Proposals

There was no corporate proposal being announced during the period.

18. Group Borrowings

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

19. Off Balance Sheet Financial Instruments

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

20. Trade Receivables

The ageing analysis of the trade receivables (included under trade and other receivables category in the Statement of Financial Position) for 28 February 2021 is as follows:

	RM'000	%
Not past due	21,818	90.32%
Past due 1-30 days	2,335	9.67%
Past due 31-120 days	4	0.02%
Past due >120 days	-	0.00%
	<u>24,157</u>	<u>100.00%</u>

The Group did not fully impair the past due trade receivables as the Group is satisfied that the recovery of the amount is possible.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2021****21. Dividend Declared**

A first interim dividend of 3 sen per ordinary share totalling RM13,800,000 in respect of the financial year ending 30 November 2021 has been declared on 14 April 2021.

In regards of deposited securities, entitlement to the interim dividend will be determined based on shareholders registered in the record of depositors as at 12 May 2021. The payment date is 2 June 2021.

22. Capital Commitment

The capital commitment of the Group which were contracted but not provided for as at 28 February 2021 is as follows:

RM'000

Property, Plant and Equipment 158

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 28.02.2021 (Unaudited)	Preceding Year 29.02.2020 (Unaudited)	Current Year 28.02.2021 (Unaudited)	Preceding Year 29.02.2020 (Unaudited)
Profit for the period attributable to owners of the Company (RM'000)	<u>12,847</u>	<u>10,869</u>	<u>12,847</u>	<u>10,869</u>
Weighted average number of ordinary shares in issue ('000)	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>
Basic earnings per ordinary share (sen)	<u>2.79</u>	<u>2.36</u>	<u>2.79</u>	<u>2.36</u>

There are no diluted earnings per share as the Group does not have any convertible financial instruments.

By Order of the Board

Ch'ng Lay Hoon (MAICSA 0818580)
Company Secretaries
14 April 2021
Penang