

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 30 NOVEMBER 2022**

| | Current Year To Date 30.11.2022 RM'000 (Unaudited) | As at Preceding Financial Year End 30.11.2021 RM'000 (Audited) |
|---|---|---|
| Assets | | |
| Property, plant and equipment | 76,632 | 85,599 |
| Right-of-use assets | 9,846 | 15,905 |
| Investment properties | 31,475 | 24,574 |
| Investment in an associate | 162,117 | 149,303 |
| Deferred tax assets | 7,086 | 8,782 |
| Total non-current assets | 287,156 | 284,163 |
| Inventories | 36,134 | 42,369 |
| Current tax assets | 1,566 | 1,758 |
| Trade and other receivables | 24,206 | 17,745 |
| Fixed deposit | - | 120 |
| Cash and cash equivalents | 200,607 | 234,500 |
| | 262,513 | 296,492 |
| Asset held for sale | - | 1,470 |
| Total current assets | 262,513 | 297,962 |
| Total assets | 549,669 | 582,125 |
| Equity | | |
| Share capital | 230,000 | 230,000 |
| Reserves | 274,547 | 311,757 |
| Total equity attributable to owners of the Company | 504,547 | 541,757 |
| Non-controlling interests | - | - |
| Total equity | 504,547 | 541,757 |
| Liabilities | | |
| Lease liabilities | 203 | 105 |
| Deferred tax liabilities | 4,838 | 2,100 |
| Total non-current liabilities | 5,041 | 2,205 |
| Lease liabilities | 78 | 127 |
| Trade and other payables | 38,463 | 37,696 |
| Contract liabilities | 83 | 189 |
| Current tax liabilities | 1,457 | 151 |
| Total current liabilities | 40,081 | 38,163 |
| Total liabilities | 45,122 | 40,368 |
| Total equity and liabilities | 549,669 | 582,125 |
| <i>Net asset per ordinary share (sen)</i> | <i>109.68</i> | <i>117.77</i> |

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

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2022**

| | Individual Quarter Current 30.11.2022 Quarter 30.11.2022 RM'000 (Unaudited) | Preceding Year Quarter 30.11.2021 RM'000 (Audited) | Cumulative Quarters Current Year To Date 30.11.2022 RM'000 (Unaudited) | Preceding Year To Date 30.11.2021 RM'000 (Audited) |
|--|--|---|---|---|
| Revenue | 32,246 | 33,559 | 136,167 | 149,616 |
| Results from operating activities | 2,706 | 6,804 | 41,303 | 35,850 |
| Share of profit of equity-accounted associate, net of tax | 1 | 4,160 | 9,564 | 15,674 |
| Profit before tax | 2,707 | 10,964 | 50,867 | 51,524 |
| Tax expense | (5,867) | (2,038) | (12,554) | (9,887) |
| (Loss)/Profit for the period/year attributable to owners of the Company | (3,160) | 8,926 | 38,313 | 41,637 |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| Share of other comprehensive income of equity-accounted associate | - | - | - | - |
| Items that are or may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation differences for foreign operations | 1,469 | 102 | 851 | (54) |
| Share of other comprehensive income/(expenses) of equity-accounted associate | 4,805 | (13,232) | 1,826 | (7,594) |
| Total other comprehensive income/(expenses) for the period/year, net of tax | 6,274 | (13,130) | 2,677 | (7,648) |
| Total comprehensive income/(expenses) for the period/year attributable to owners of the Company | 3,114 | (4,204) | 40,990 | 33,989 |
| (Loss)/Profit for the period/year attributable to: | | | | |
| Owners of the Company | (3,160) | 8,926 | 38,313 | 41,637 |
| Non-controlling interests | - | - | - | - |
| | (3,160) | 8,926 | 38,313 | 41,637 |
| Total comprehensive income/(expenses) for the period/year attributable to: | | | | |
| Owners of the Company | 3,114 | (4,204) | 40,990 | 33,989 |
| Non-controlling interests | - | - | - | - |
| | 3,114 | (4,204) | 40,990 | 33,989 |
| <i>Weighted average number of ordinary shares in issue ('000)</i> | 460,000 | 460,000 | 460,000 | 460,000 |
| <i>Basic earnings per ordinary share (sen)</i> | (0.69) | 1.94 | 8.33 | 9.05 |

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

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2022**

| Individual Quarter | | Cumulative Quarters | |
|---------------------------|-------------------|----------------------------|-------------------|
| Current | Preceding | Current | Preceding |
| Year | Year | Year | Year |
| Quarter | Quarter | To Date | To Date |
| 30.11.2022 | 30.11.2021 | 30.11.2022 | 30.11.2021 |
| RM'000 | RM'000 | RM'000 | RM'000 |
| (Unaudited) | (Audited) | (Unaudited) | (Audited) |

Included in the total comprehensive income for the period are the following:

| | | | | |
|--|---------|---------|----------|---------|
| Interest income | (1,357) | (1,171) | (4,071) | (3,809) |
| Other income including investment income | (910) | (2,028) | (3,126) | (3,330) |
| Interest expense | 2 | 3 | 9 | 15 |
| Depreciation and amortisation | 2,220 | 2,359 | 7,947 | 9,181 |
| Provision for/(Reversal of) and write off of receivables | - | 22 | (10) | (1) |
| Provision for/(Reversal of) and write off of inventories | 41 | (100) | 385 | 165 |
| (Gain) or loss on disposal of property, plant and equipment | 560 | - | (15,690) | (13) |
| (Gain) or loss on disposal of quoted or unquoted investments | - | - | - | - |
| Impairment/(Reversal of impairment) of assets | 1,840 | 127 | 1,840 | 184 |
| Foreign exchange (gain) or loss | (5,895) | 5,029 | (5,223) | (2,197) |
| (Gain)/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 (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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2022**

| | 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 | - | (54) | - | - | (54) |
| Share of other comprehensive (expenses)/income of equity-accounted associate, net of tax | - | (7,594) | - | - | (7,594) |
| Total other comprehensive (expenses)/income for the period | - | (7,648) | - | - | (7,648) |
| Profit for the period | - | - | - | 41,637 | 41,637 |
| Total comprehensive income for the period | - | (7,648) | - | 41,637 | 33,989 |
| Dividends to owners of the Company | - | - | - | (78,200) | (78,200) |
| At 30 November 2021 | <u>230,000</u> | <u>44,114</u> | <u>2,000</u> | <u>265,643</u> | <u>541,757</u> |
| | 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 2021 | 230,000 | 44,114 | 2,000 | 265,643 | 541,757 |
| Foreign currency translation differences for foreign operations | - | 851 | - | - | 851 |
| Share of other comprehensive (expenses)/income of equity-accounted associate, net of tax | - | 1,826 | - | - | 1,826 |
| Total other comprehensive (expenses)/income for the period | - | 2,677 | - | - | 2,677 |
| Profit for the period | - | - | - | 38,313 | 38,313 |
| Total comprehensive income for the period | - | 2,677 | - | 38,313 | 40,990 |
| Dividends to owners of the Company | - | - | - | (78,200) | (78,200) |
| At 30 November 2022 | <u>230,000</u> | <u>46,791</u> | <u>2,000</u> | <u>225,756</u> | <u>504,547</u> |

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

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 CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

| | Current Year To Date 30.11.2022 RM'000 (Unaudited) | Preceding Year To Date 30.11.2021 RM'000 (Audited) |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 50,867 | 51,524 |
| Adjustments for: | | |
| Non-cash items | (13,417) | (8,514) |
| Non-operating items | (4,070) | (3,809) |
| Operating profit before changes in working capital | 33,380 | 39,201 |
| Changes in working capital | 437 | 11,702 |
| Cash generated from operations | 33,817 | 50,903 |
| Dividend received from an associate | - | 83,009 |
| Interest paid | (9) | (15) |
| Tax paid | (9,644) | (12,596) |
| Retirement benefits paid | - | - |
| Net cash from operating activities | 24,164 | 121,301 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 4,070 | 3,809 |
| Capital expenditure | (1,115) | (3,929) |
| Proceeds from disposal of fixed assets | 17,195 | 19 |
| Placement of Fixed Deposit | 120 | (120) |
| Net cash from/(used in) investing activities | 20,270 | (221) |
| CASH FLOWS FROM FINANCING ACTIVITY | | |
| Dividends paid to owners of the Company | (78,200) | (78,200) |
| Payment of lease liabilities | (127) | (121) |
| Net cash used in financing activities | (78,327) | (78,321) |
| Net (decrease)/increase in cash and cash equivalents | (33,893) | 42,759 |
| Cash and cash equivalents at 1 December | 234,500 | 191,655 |
| Effects of exchange rates on cash and cash equivalents | (1) | 86 |
| Cash and cash equivalents at 30 November (Note 1) | 200,607 | 234,500 |
| NOTE 1 | RM'000 | RM'000 |
| Cash and cash equivalents consist of: | | |
| Short term deposits with licensed banks | 119,677 | 138,597 |
| Cash and bank balances | 80,930 | 95,903 |
| Total cash and cash equivalents | 200,607 | 234,500 |

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 YEAR ENDED 30 NOVEMBER 2022**

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 2021, except as set out below.

New accounting pronouncements adopted for this interim financial report

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS16, *Leases – Interest Rate Benchmark Reform – Phase 2*
- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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 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)*

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

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- 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*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

1. Basis of Preparation (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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 estimate 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:

- (i) 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 2021 were declared on 19 January 2022 and paid on 10 March 2022;

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022****7. Dividends Paid (Continued)**

- (ii) A first interim dividend of 3 sen per ordinary share totalling RM13,800,000 in respect of the financial year ending 30 November 2022 was declared on 13 April 2022 and paid on 8 June 2022;
- (iii) A second interim dividend of 3 sen per ordinary share totalling RM13,800,000 in respect of the financial year ending 30 November 2022 was declared on 13 July 2022 and paid on 7 September 2022; and
- (iv) A third interim dividend of 3 sen per ordinary share totalling RM13,800,000 in respect of the financial year ending 30 November 2022 was declared on 12 October 2022 and paid on 7 December 2022.

8. Segment Revenue and Results

The Group principally manufactures jewellery and consumer products, thereafter sells them through a direct marketing network. The analysis of revenue by reportable segments is based on the geographical location of the customers. The operation at Thailand is 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 | |
| | 30.11.2022 RM'000 | 30.11.2021 RM'000 | | 30.11.2022 RM'000 | 30.11.2021 RM'000 | |
| Malaysia | 7,591 | 8,950 | (20%) | 31,651 | 36,729 | (14%) |
| Thailand | 20,620 | 20,822 | (1%) | 90,867 | 95,431 | (5%) |
| Cambodia | 3,653 | 1,304 | 180% | 11,444 | 11,355 | 1% |
| Myanmar | - | 2,242 | (100%) | 960 | 4,629 | (79%) |
| Others | 382 | 241 | 59% | 1,245 | 1,472 | (6%) |
| Total | 32,246 | 33,559 | (4%) | 136,167 | 149,616 | (9%) |

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 other 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 YEAR ENDED 30 NOVEMBER 2022****12. Review of Group's Performance****Financial review for current quarter and financial year to date:**

| | Individual Period | | Changes % | Cumulative Period | | Changes % |
|--|----------------------|------------------------|------------------|----------------------|-------------------------------------|------------------|
| | Current Year Quarter | Preceding Year Quarter | | Current Year To-date | Preceding Year Corresponding Period | |
| | 30.11.2022 RM'000 | 30.11.2021 RM'000 | | 30.11.2022 RM'000 | 30.11.2021 RM'000 | |
| Revenue | 32,246 | 33,559 | (4%) | 136,167 | 149,616 | (9%) |
| Results from operating activities | 2,706 | 6,804 | (60%) | 41,303 | 35,850 | 15% |
| Share of profit of equity-accounted associate, net of tax | 1 | 4,160 | (100%) | 9,564 | 15,674 | (39%) |
| Profit before tax | 2,707 | 10,964 | (75%) | 50,867 | 51,524 | (1%) |
| (Loss)/Profit after tax | (3,160) | 8,926 | (135%) | 38,313 | 41,637 | (8%) |
| Profit for the period attributable to owners of the Company | (3,160) | 8,926 | (135%) | 38,313 | 41,637 | (8%) |

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue for the year under review was RM136.2 million, a decrease of 9% as compared to preceding year corresponding period of RM149.6 million. Decrease was attributable to overall weak consumer sentiments associated with the after effect of Coronavirus (COVID-19) pandemic and rising inflationary pressures.

Results from operating activities stood at RM41.3 million, an increase of 15% from RM35.9 million recorded in preceding year corresponding period. Increase was mainly due to disposal of leasehold land in Indonesia resulting in net gain of RM14.4 million, after duly accounting for all the relevant local statutory obligations. As for the current year quarter under review, 60% drop was mainly due to impairment loss on plant and equipment of low performance divisions as well as foreign exchange fluctuations.

Share of profit of equity-accounted associate for the period under review was RM9.6 million, a substantial decrease of 39% as compared to preceding year corresponding period of RM15.7 million. Lower share of profit during the year was a direct result of weaker performance of the associate as well as Income Tax (Exemption) (No.6) Order 2022 where foreign sourced income received from the foreign associate was subject to Malaysian tax rate of 24% as opposed to 10% withholding tax accounted for in prior years. The additional tax provision was booked in the current year quarter under review.

Profit before tax for the period under review was RM50.9 million, a decrease of 1% as compared to preceding year corresponding period of RM51.5 million.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022**

12. Review of Group's Performance (continued)

Current quarter under review registered a loss after tax of RM3.2 million as compared to preceding year quarter of RM8.9 million profits. This was mainly caused by drop in profit before tax with reasons elaborated above.

Consolidated Statement of Financial Position

The Group's total assets as at 30 November 2022 was RM549.7 million, a decrease of RM32.5 million from last financial year ended 30 November 2021 of RM582.1 million. The decrease was mainly attributable to lower cash and bank balances offset by increase in trade receivables balance arising from timing of revenue where substantial portion of the revenue was transacted towards the end of current quarter. However, receivables turnover days remained manageable within the credit terms granted. Refer Note 20 for further information.

The Group's total liabilities as at 30 November 2022 was RM45.1 million, an increase of RM4.8 million from last financial year ended 30 November 2021 of RM40.4 million. Increase was mainly due to deferred tax liabilities at 24% provided for on share of profit on investment in associate.

The Group's total equity as at 30 November 2022 was RM504.5 million, a decrease of RM37.3 million from last financial year ended 30 November 2021 of RM541.8 million.

The Group's net asset per ordinary share as at 30 November 2022 was RM1.10.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 30 November 2022 was RM200.6 million, an decrease of RM33.9 million from last financial year ended 30 November 2021 of RM234.5 million.

The net cash inflow from operating activities was RM24.1 million.

The net cash inflow from investing activities was RM20.3 million, derived substantially from disposal of leasehold land in Indonesia.

The net cash outflow used in financing activities was RM78.3 million, mainly dividends paid to shareholders of the Group.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022****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 % |
|---|----------------------|-----------------------------|-----------|
| | 30.11.2022 RM'000 | 31.08.2022 RM'000 | |
| Revenue | 32,246 | 32,955 | (2%) |
| Results from operating activities | 2,706 | 7,320 | (63%) |
| Share of profit of equity-accounted associate, net of tax | 1 | 2,628 | (100%) |
| Profit before tax | 2,707 | 9,948 | (73%) |
| (Loss)/Profit after tax | (3,160) | 7,649 | (141%) |
| (Loss)/Profit for the period attributable to owners of the Company | (3,160) | 7,649 | (141%) |

Revenue for the current quarter under review was RM32.2 million, a slight decrease of 2% as compared to immediate preceding quarter of RM33.0 million.

Results from operating activities for the current quarter under review was RM2.7 million, a significant drop of 63% mainly due to impairment loss on plant and equipment of low performance divisions as well as foreign exchange fluctuations.

Share of profit of equity-accounted associate stood at RM1,000, representing a 100% drop as compared to the immediate preceding quarter. Lower share of profit during the year was a direct result of weaker performance of the associate as well as Income Tax (Exemption) (No.6) Order 2022 where foreign sourced income received from the foreign associate was subject to Malaysian tax rate of 24% as opposed to 10% withholding tax accounted for in prior years. In compliance with the said Order, the additional tax provision was booked in the current year quarter under review.

Current quarter under review registered a loss of RM3.2 million as compared to the immediate preceding quarter of RM7.6 million profit mainly attributable to the drop in profit before tax with reasons elaborated above.

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 sustainability by adapting to the constant market demand change wherever possible while it remains cautious on mounting inflationary pressures. The Group is committed to continuously improve its business operational efficiency and maintain sufficient cash flows in FY 2023.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2022****15. Variance of Actual Profit from Forecast Profit**

Not applicable.

16. Taxation

| | Individual Quarter | | Cumulative Quarters | |
|---------------------|---|---|---|---|
| | Current Year Quarter 30.11.2022 RM'000 | Preceding Year Quarter 30.11.2021 RM'000 | Current Year To Date 30.11.2022 RM'000 | Preceding Year To Date 30.11.2021 RM'000 |
| Current Year | 3,925 | 2,289 | 10,565 | 9,934 |
| Prior Year | 1,942 | (251) | 1,989 | (47) |
| Total | <u>5,867</u> | <u>2,038</u> | <u>12,554</u> | <u>9,887</u> |

The effective tax rate for the current year under review was lower than the statutory tax rate due to an associate operates in foreign jurisdiction and hence 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 trade receivables (included under trade and other receivables category in the Statement of Financial Position) for 30 November 2022 is as follows:

| | RM'000 | % |
|----------------------|---------------|-------------|
| Not past due | 18,659 | 94.7% |
| Past due 1-30 days | 115 | 0.6% |
| Past due 31-120 days | 12 | 0.1% |
| Past due >120 days | 918 | 4.6% |
| | <u>19,704</u> | <u>100%</u> |

The Group has a total net outstanding receivable past due >120 days amounting to RM0.9 mil from Myanmar which is currently embroiled in political conflict. There is still issue with remittance of funds back to Malaysia. Nevertheless the Group expects to receive all the outstanding payments by February 2023. Isolating outstanding receivable from Myanmar, the Group's receivables turnover days remained manageable within the credit terms granted. At the date of this report, no further sales was made to Myanmar with no associated inventory dedicated for Myanmar market. There is no material impact to the Group as Myanmar contributes only an insignificant 2% to the Group's revenue.

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 YEAR ENDED 30 NOVEMBER 2022****21. Dividend Declared**

A fourth interim dividend of 3 sen per ordinary share and a special dividend of 5 sen per ordinary share, totalling RM36,800,000 in respect of the financial year ended 30 November 2022 has been declared on 18 January 2023.

In regards of deposited securities, entitlement to the interim dividend will be determined based on shareholders registered in the record of depositors as at 15 February 2023. The payment date is 8 March 2023.

22. Capital Commitment

The capital commitment of the Group which were contracted but not provided for as at 30 November 2022 is as follows:

RM'000

| | |
|-------------------------------|-------------|
| Property, Plant and Equipment | <u>0.17</u> |
|-------------------------------|-------------|

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 30.11.2022 | Preceding Year 30.11.2021 | Current Year 30.11.2022 | Preceding Year 30.11.2021 |
| (Loss)/Profit for the period attributable to owners of the Company (RM'000) | <u>(3,160)</u> | <u>8,926</u> | <u>38,313</u> | <u>41,637</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 (loss)/earnings per ordinary share (sen) | <u>(0.69)</u> | <u>1.94</u> | <u>8.33</u> | <u>9.05</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 Secretary
18 January 2022
Penang