

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 2023**

	Current Year To Date 30.11.2023 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2022 RM'000 (Audited)
Assets		
Property, plant and equipment	73,126	76,632
Right-of-use assets	9,510	9,846
Investment properties	31,318	31,475
Investment in an associate	168,923	162,117
Deferred tax assets	5,946	7,086
Total non-current assets	<u>288,823</u>	<u>287,156</u>
Inventories	34,854	36,134
Current tax assets	475	1,566
Trade and other receivables	23,878	24,206
Cash and cash equivalents	155,245	200,607
Total current assets	<u>214,452</u>	<u>262,513</u>
Total assets	<u>503,275</u>	<u>549,669</u>
Equity		
Share capital	230,000	230,000
Reserves	231,993	274,547
Total equity attributable to owners of the Company	<u>461,993</u>	<u>504,547</u>
Non-controlling interests	-	-
Total equity	<u>461,993</u>	<u>504,547</u>
Liabilities		
Lease liabilities	195	203
Deferred tax liabilities	3,690	4,758
Total non-current liabilities	<u>3,885</u>	<u>4,961</u>
Lease liabilities	98	78
Trade and other payables	36,345	38,463
Contract liabilities	227	83
Current tax liabilities	727	1,537
Total current liabilities	<u>37,397</u>	<u>40,161</u>
Total liabilities	<u>41,282</u>	<u>45,122</u>
Total equity and liabilities	<u>503,275</u>	<u>549,669</u>
<i>Net asset per ordinary share (sen)</i>	<i>100.43</i>	<i>109.68</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 YEAR ENDED 30 NOVEMBER 2023**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2023 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2022 RM'000 (Audited)	Current Year To Date 30.11.2023 RM'000 (Unaudited)	Preceding Year To Date 30.11.2022 RM'000 (Audited)
Revenue	32,189	32,246	132,368	136,167
Results from operating activities	7,828	2,706	28,379	41,303
Share of profit of equity-accounted associate, net of tax	1,444	1,959	8,653	12,585
Profit before tax	9,272	4,665	37,032	53,888
Tax expense	(2,525)	(6,338)	(7,795)	(15,576)
Profit/(Loss) for the period/year attributable to owners of the Company	6,747	(1,673)	29,237	38,312
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	159	1,469	(306)	851
Share of other comprehensive expenses of equity-accounted associate	1,314	5,868	6,716	1,827
Total other comprehensive income for the period/year, net of tax	1,473	7,337	6,410	2,678
Total comprehensive income for the period attributable to owners of the Company	8,220	5,664	35,647	40,990
Profit/(Loss) for the period/year attributable to:				
Owners of the Company	6,747	(1,673)	29,237	38,312
Non-controlling interests	-	-	-	-
	6,747	(1,673)	29,237	38,312
Total comprehensive income for the period/year attributable to:				
Owners of the Company	8,220	5,664	35,647	40,990
Non-controlling interests	-	-	-	-
	8,220	5,664	35,647	40,990
<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>	1.47	(0.36)	6.36	8.33

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 YEAR ENDED 30 NOVEMBER 2023**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2023 RM'000 (Unaudited)	Preceding Year Quarter 30.11.2022 RM'000 (Audited)	Current Year To Date 30.11.2023 RM'000 (Unaudited)	Preceding Year To Date 30.11.2022 RM'000 (Audited)
Included in the total comprehensive income for the period are the following:				
Interest income	(1,264)	(1,357)	(4,575)	(4,070)
Other income including investment income	(1,948)	(910)	(5,425)	(3,126)
Interest expense	2	2	8	8
Depreciation and amortisation	1,535	2,220	6,270	7,947
Provision for/(Reversal of) and write off of receivables	89	-	89	(10)
Provision for/(Reversal of) and write off of inventories	932	41	1,079	385
(Gain) or loss on disposal of property, plant and equipment	(3)	560	(11)	(14,434)
Impairment/(Reversal of impairment) of assets	-	1,840	-	1,840
Foreign exchange (gain) or loss	(1,707)	(6,958)	(8,849)	(5,223)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2023**

	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	265,642	541,756
Foreign currency translation differences for foreign operations	-	851	-	-	851
Share of other comprehensive income of equity-accounted associate, net of tax	-	1,827	-	-	1,827
Total other comprehensive income for the year	-	2,678	-	-	2,678
Profit for the year	-	-	-	38,312	38,312
Total comprehensive income for the year	-	2,678	-	38,312	40,990
Dividends to owners of the Company	-	-	-	(78,200)	(78,200)
At 30 November 2022	<u>230,000</u>	<u>46,792</u>	<u>2,000</u>	<u>225,754</u>	<u>504,546</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 2022	230,000	46,792	2,000	225,754	504,546
Foreign currency translation differences for foreign operations	-	(306)	-	-	(306)
Share of other comprehensive income of equity-accounted associate, net of tax	-	6,716	-	-	6,716
Total other comprehensive income for the year	-	6,410	-	-	6,410
Profit for the year	-	-	-	29,237	29,237
Total comprehensive income for the year	-	6,410	-	29,237	35,647
Dividends to owners of the Company	-	-	-	(78,200)	(78,200)
At 30 November 2023	<u>230,000</u>	<u>53,202</u>	<u>2,000</u>	<u>176,791</u>	<u>461,993</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2023**

	Current Year To Date 30.11.2023 RM'000 (Unaudited)	Preceding Year To Date 30.11.2022 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	37,032	53,888
Adjustments for:		
Non-cash items	(5,093)	(15,618)
Non-operating items	(4,575)	(4,070)
Operating profit before changes in working capital	27,364	34,200
Changes in working capital	(367)	849
Cash generated from operations	26,997	35,049
Dividend received from an associate	10,305	-
Interest paid	(8)	(8)
Tax paid	(7,442)	(9,642)
Retirement benefits paid	-	-
Net cash from operating activities	29,852	25,399
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,575	4,070
Capital expenditure	(1,523)	(1,077)
Proceeds from disposal of fixed assets	11	15,904
Withdrawal of Fixed Deposit	-	120
Net cash from investing activities	3,063	19,017
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to owners of the Company	(78,200)	(78,200)
Payment of lease liabilities	(129)	(127)
Net cash used in financing activities	(78,329)	(78,327)
	-	
Net decrease in cash and cash equivalents	(45,414)	(33,911)
Cash and cash equivalents at 1 December	200,607	234,500
Effects of exchange rates on cash and cash equivalents	52	18
Cash and cash equivalents at 30 November (Note 1)	155,245	200,607
NOTE 1	RM'000	RM'000
Cash and cash equivalents consist of:		
Short term deposits with licensed banks	63,527	119,677
Cash and bank balances	91,718	80,930
Total cash and cash equivalents	155,245	200,607

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 2023**

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 2022, 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 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* and *International Tax Reform – Pillar Two Model Rules*

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*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*

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.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023**

1. Basis of Preparation (continued)

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

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 as compared to 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 2022 were declared on 18 January 2023 and paid on 8 March 2023;
- (ii) A first interim dividend of 3 sen per ordinary share totalling RM13,800,000 in respect of the financial year ended 30 November 2023 was declared on 12 April 2023 and paid on 7 June 2023;
- (iii) A second interim dividend of 3 sen per ordinary share totaling RM13,800,000 in respect of the financial year ended 30 November 2023 was declared on 12 July 2023 and paid on 6 September 2023; and
- (iv) A third interim dividend of 3 sen per ordinary share totaling RM13,800,000 in respect of the financial year ended 30 November 2023 has been declared on 11 October 2023 and paid on 6 December 2023.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023****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	
	30.11.2023 RM'000	30.11.2022 RM'000		30.11.2023 RM'000	30.11.2022 RM'000	
Malaysia	6,598	7,591	(13%)	30,835	31,651	(3%)
Thailand	23,331	20,620	13%	91,947	90,867	1%
Cambodia	1,906	3,653	(48%)	8,139	11,444	(29%)
Myanmar	-	-	-	-	960	(100%)
Others	354	382	(7%)	1,447	1,245	16%
Total	32,189	32,246	(0.2%)	132,368	136,167	(3%)

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 year 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 2023****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	
	30.11.2023 RM'000	30.11.2022 RM'000		30.11.2023 RM'000	30.11.2022 RM'000	
Revenue	32,189	32,246	(0.2%)	132,368	136,167	(3%)
Results from operating activities	7,828	2,706	189%	28,379	41,303	(31%)
Share of profit of equity-accounted associate, net of tax	1,444	1,959	(26%)	8,653	12,585	(31%)
Profit before tax	9,272	4,665	99%	37,032	53,888	(31%)
Profit/(Loss) after tax	6,747	(1,673)	503%	29,237	38,312	(24%)
Profit/(Loss) for the period attributable to owners of the Company	6,747	(1,673)	503%	29,237	38,312	(24%)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue for the year under review was RM132.4 million, a decrease of 3% as compared to preceding year corresponding period of RM136.2 million. Decrease was attributable to overall weak consumer spending associated with prevailing economic condition and rising inflationary pressures.

Results from operating activities stood at RM28.4 million, a decrease of 31% from RM41.3 million recorded in preceding year corresponding period. Decrease was mainly due to disposal of leasehold land in Indonesia with a net gain of RM14.4 million in the preceding year corresponding period. Isolating the impact of this one off gain, the Group maintained satisfactory performance with continuous focus on operational efficiency.

Share of profit of equity-accounted associate for the year under review was RM8.7 million, a decrease of 31% as compared to preceding year corresponding period of RM12.6 million. Lower share of profit during the year was mainly attributable to lower profit of the associate.

Profit before tax for the year under review was RM37.0 million, a decrease of 31% as compared to preceding year corresponding period of RM53.9 million, resulting from lower results from operating activities.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023****12. Review of Group's Performance (continued)****Consolidated Statement of Financial Position**

The Group's total assets as at 30 November 2023 was RM503.3 million, a decrease of RM46.4 million from last financial year ended 30 November 2022 of RM549.7 million. The decrease was mainly attributable to lower cash and bank balances.

The Group's total liabilities as at 30 November 2023 was RM41.3 million, a decrease of RM3.8 million from last financial year ended 30 November 2022 of RM45.1 million.

The Group's total equity as at 30 November 2023 was RM462.0 million, a decrease of RM42.5 million from last financial year ended 30 November 2022 of RM504.5 million.

The Group's net asset per ordinary share as at 30 November 2023 was RM1.00.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 30 November 2023 was RM155.2 million, a decrease of RM45.4 million from last financial year ended 30 November 2022 of RM200.6 million.

The net cash inflow from operating activities was RM29.9 million, mainly derived from dividend received from associate.

The net cash inflow from investing activities was RM3.1 million. Net cash inflow recorded in the preceding year 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.

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 %
	30.11.2023 RM'000	31.08.2023 RM'000	
Revenue	32,189	34,204	(6%)
Results from operating activities	7,828	7,206	9%
Share of profit of equity-accounted associate, net of tax	1,444	1,885	(23%)
Profit before tax	9,272	9,091	2%
Profit after tax	6,747	6,196	9%
Profit for the period attributable to owners of the Company	6,747	6,196	9%

Revenue for the current quarter under review was RM32.2 million, a decrease of 6% as compared to immediate preceding quarter of RM34.2 million.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023****13. Material Changes in Profit before Tax reported as compared with the Immediate Preceding Quarter (Continued)**

Results from operating activities for the current quarter under review recorded a 9% increase from RM7.2 million in the immediate preceding quarter to RM7.8 million. Increase was mainly attributable to write back of salary accrued on work permit application which was no longer required. No material tax impact here as it was set off against unutilised losses.

Share of profit of equity-accounted associate stood at RM1.4 million, as compared to RM1.9 million in the immediate preceding quarter. Lower share of profit during the quarter under review was due to lower profit of the associate.

Profit after tax for the current quarter under review was RM6.7 million, representing 9% increase from RM6.2 million in the immediate preceding quarter.

14. Current year prospects

The Group's business is closely linked to general consumer spending 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 managing its resources prudently and continuously improve its business operational efficiency.

15. Variance of Actual Profit from Forecast Profit

Not applicable.

16. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.11.2023 RM'000	Preceding Year Quarter 30.11.2022 RM'000	Current Year To Date 30.11.2023 RM'000	Preceding Year To Date 30.11.2022 RM'000
Current Year	2,559	4,377	10,323	13,567
Prior Year	(34)	1,961	(2,528)	2,009
Total	<u>2,525</u>	<u>6,338</u>	<u>7,795</u>	<u>15,576</u>

The effective tax rate for the current year under review was lower than the statutory tax rate due to reversal of deferred tax on dividend received from foreign associate which was not subject to tax.

17. Status of Corporate Proposals

There was no corporate proposal being announced during the year.

18. Group Borrowings

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

19. Off Balance Sheet Financial Instruments

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

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023****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 2023 was as follows:

	RM'000	%
Not past due	20,363	99.93%
Past due 1-30 days	13	0.06%
Past due 31-120 days	2	0.01%
Past due >120 days	-	-
	<u>20,378</u>	<u>100%</u>

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

21. Dividend Declared

A fourth interim dividend of 3 sen per ordinary share and a special dividend of 1 sen per ordinary share, totaling RM18,400,000 in respect of the financial year ended 30 November 2023 has been declared on 24 January 2024.

In regards of deposited securities, entitlement to the interim dividend will be determined based on shareholders registered in the record of depositors as at 21 February 2024. The payment date is 13 March 2024.

22. Capital Commitment

The capital commitment of the Group which were contracted but not provided for as at 30 November 2023 was as follows:

	RM'000
Property, Plant and Equipment	<u>979</u>

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023****23. Basic Earnings per Share**

The basic earnings per share are computed based on the Group's net profit for the year divided by the weighted average number of shares in issue:

	Individual Quarter		Cumulative Quarters	
	Current Year 30.11.2023	Preceding Year 30.11.2022	Current Year 30.11.2023	Preceding Year 30.11.2022
Profit/(loss) for the period attributable to owners of the Company (RM'000)	<u>6,747</u>	<u>(1,673)</u>	<u>29,237</u>	<u>38,312</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/(loss) per ordinary share (sen)	<u>1.47</u>	<u>(0.36)</u>	<u>6.36</u>	<u>8.33</u>

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

Higher basic earnings per ordinary share recorded in FY2022 was attributable to higher profit from one off disposal of leasehold land in Indonesia.

By Order of the Boar

Ch'ng Lay Hoon (MAICSA 0818580)
Company Secretary
24 January 2024
Penang