

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 29 FEBRUARY 2024**

	Current Year To Date 29.02.2024 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2023 RM'000 (Audited)
Assets		
Property, plant and equipment	72,121	73,126
Right-of-use assets	9,390	9,510
Investment properties	31,250	31,318
Investment in an associate	172,053	168,923
Deferred tax assets	5,734	5,946
Total non-current assets	<u>290,548</u>	<u>288,823</u>
Inventories	34,685	34,854
Current tax assets	326	475
Trade and other receivables	22,159	23,878
Cash and cash equivalents	144,746	155,245
Total current assets	<u>201,916</u>	<u>214,452</u>
Total assets	<u>492,464</u>	<u>503,275</u>
Equity		
Share capital	230,000	230,000
Reserves	218,853	231,993
Total equity attributable to owners of the Company	<u>448,853</u>	<u>461,993</u>
Non-controlling interests	-	-
Total equity	<u>448,853</u>	<u>461,993</u>
Liabilities		
Lease liabilities	177	163
Deferred tax liabilities	4,080	3,690
Total non-current liabilities	<u>4,257</u>	<u>3,853</u>
Lease liabilities	83	130
Trade and other payables	38,863	36,345
Contract liabilities	184	227
Current tax liabilities	224	727
Total current liabilities	<u>39,354</u>	<u>37,429</u>
Total liabilities	<u>43,611</u>	<u>41,282</u>
Total equity and liabilities	<u>492,464</u>	<u>503,275</u>
<i>Net asset per ordinary share (sen)</i>	97.58	100.43

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 PERIOD ENDED 29 FEBRUARY 2024**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 29.02.2024 RM'000 (Unaudited)	Preceding Year Quarter 28.02.2023 RM'000 (Unaudited)	Current Period To Date 29.02.2024 RM'000 (Unaudited)	Preceding Period To Date 28.02.2023 RM'000 (Unaudited)
Revenue	28,891	32,550	28,891	32,550
Results from operating activities	4,731	6,528	4,731	6,528
Share of profit of equity-accounted associate, net of tax	3,366	2,424	3,366	2,424
Profit before tax	8,097	8,952	8,097	8,952
Tax expense	(1,745)	(2,105)	(1,745)	(2,105)
Profit for the period/year attributable to owners of the Company	6,352	6,847	6,352	6,847
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	125	(325)	125	(325)
Share of other comprehensive expenses of equity-accounted associate	(1,217)	1,312	(1,217)	1,312
Total other comprehensive income for the period/year, net of tax	(1,092)	987	(1,092)	987
Total comprehensive income for the period attributable to owners of the Company	5,260	7,834	5,260	7,834
Profit/(Loss) for the period/year attributable to:				
Owners of the Company	6,352	6,847	6,352	6,847
Non-controlling interests	-	-	-	-
	6,352	6,847	6,352	6,847
Total comprehensive income for the period/year attributable to:				
Owners of the Company	5,260	7,834	5,260	7,834
Non-controlling interests	-	-	-	-
	5,260	7,834	5,260	7,834
<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>	1.38	1.49	1.38	1.49

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 PERIOD ENDED 29 FEBRUARY 2024**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 29.02.2024 RM'000 (Unaudited)	Preceding Year Quarter 28.02.2023 RM'000 (Unaudited)	Current Year To Date 29.02.2024 RM'000 (Unaudited)	Preceding Year To Date 28.02.2023 RM'000 (Unaudited)
Included in the total comprehensive income for the period are the following:				
Interest income	(908)	(1,111)	(908)	(1,111)
Other income including investment income	(645)	(1,418)	(645)	(1,418)
Interest expense	1	1	1	1
Depreciation and amortisation	1,430	1,575	1,430	1,575
Provision for/(Reversal of) and write off of receivables	-	-	-	-
Provision for/(Reversal of) and write off of inventories	128	8	128	8
(Gain) or loss on disposal of property, plant and equipment	0	-	0	-
Impairment/(Reversal of impairment) of assets	-	-	-	-
Foreign exchange (gain) or loss	659	(1,512)	659	(1,512)

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 PERIOD ENDED 29 FEBRUARY 2024**

	Current Year To Date 29.02.2024 RM'000 (Unaudited)	Preceding Year To Date 28.02.2023 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,097	8,952
Adjustments for:		
Non-cash items	(2,917)	(2,956)
Non-operating items	(908)	(1,111)
Operating profit before changes in working capital	4,272	4,885
Changes in working capital	(238)	(3,573)
Cash generated from operations	4,034	1,312
Dividend received from an associate		-
Interest paid	(1)	(1)
Tax paid	(1,496)	(2,974)
Retirement benefits paid	-	-
Net cash from/(used in) operating activities	2,537	(1,663)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	908	1,111
Capital expenditure	(123)	(430)
Proceeds from disposal of fixed assets	0	-
Placement of Fixed Deposit	-	(1,500)
Net cash from/(used in) investing activities	785	(819)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to owners of the Company	(13,800)	(13,800)
Payment of lease liabilities	(33)	(33)
Net cash used in financing activities	(13,833)	(13,833)
	-	
Net decrease in cash and cash equivalents	(10,511)	(16,315)
Cash and cash equivalents at 1 December	155,245	200,607
Effects of exchange rates on cash and cash equivalents	12	16
Cash and cash equivalents at 30 November (Note 1)	144,746	184,308
NOTE 1		
	RM'000	RM'000
Cash and cash equivalents consist of:		
Short term deposits with licensed banks	62,027	74,697
Cash and bank balances	82,719	109,611
Total cash and cash equivalents	144,746	184,308

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 29 FEBRUARY 2024**

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 2023, except as set out below.

New accounting pronouncements adopted for this interim financial report

- Amendments to MFRS 101, *Presentation of Financial Statements – 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 – Supplier Finance Arrangements*

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 – Lack of Exchangeability*

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.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024****3. Seasonal or Cyclical Factors**

The Group's performance is not materially 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 1 sen per ordinary share totalling RM18,400,000 in respect of the financial year ended 30 November 2023 were declared on 24 January 2024 and paid on 13 March 2024;

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	
	29.02.2024 RM'000	28.02.2023 RM'000		29.02.2024 RM'000	28.02.2023 RM'000	
Malaysia	5,976	7,017	(15%)	5,976	7,017	(15%)
Thailand	20,766	23,024	(10%)	20,766	23,024	(10%)
Cambodia	1,720	2,067	(17%)	1,720	2,067	(17%)
Others	429	442	(3%)	429	442	(3%)
Total	28,891	32,550	(11%)	28,891	32,550	(11%)

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.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024****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.

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	
	29.02.2024 RM'000	28.02.2023 RM'000		29.02.2024 RM'000	28.02.2023 RM'000	
Revenue	28,891	32,550	(11%)	28,891	32,550	(11%)
Results from operating activities	4,731	6,528	(28%)	4,731	6,528	(28%)
Share of profit of equity-accounted associate, net of tax	3,366	2,424	39%	3,366	2,424	39%
Profit before tax	8,097	8,952	(10%)	8,097	8,952	(10%)
Profit after tax	6,352	6,847	(7%)	6,352	6,847	(7%)
Profit for the period attributable to owners of the Company	6,352	6,847	(7%)	6,352	6,847	(7%)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group revenue for the period under review was RM28.9 million, a decrease of 11% as compared to preceding year corresponding period of RM32.6 million. Decrease was attributable to overall weak consumer spending associated with prevailing economic condition and rising inflationary pressures.

Results from operating activities stood at RM4.7 million, a decrease of 28% from RM6.5 million recorded in preceding year corresponding period. Decrease was a direct result of the drop in revenue while managing the necessary operating costs.

Share of profit of equity-accounted associate for the period under review was RM3.4 million, an increase of 39% as compared to preceding year corresponding period of RM2.4 million. Higher share of profit during the year was mainly attributable to improved profit recorded by the associate.

Profit before tax for the year under review was RM8.1 million, a decrease of 10% as compared to preceding year corresponding period of RM9.0 million, resulting from lower results from operating activities.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024****12. Review of Group's Performance (continued)****Consolidated Statement of Financial Position**

The Group's total assets as at 29 February 2024 was RM492.5 million, a decrease of RM10.8 million from last financial year ended 30 November 2023 of RM503.3 million. The decrease was mainly attributable to lower cash and bank balances.

The Group's total liabilities as at 29 February 2024 was RM43.6 million, an increase of RM2.3 million from last financial year ended 30 November 2023 of RM41.3 million.

The Group's total equity as at 29 February 2024 was RM448.9 million, a decrease of RM13.1 million from last financial year ended 30 November 2023 of RM462.0 million.

The Group's net asset per ordinary share as at 29 February 2024 was RM0.98.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 29 February 2024 was RM144.7 million, a decrease of RM10.5 million from last financial year ended 30 November 2023 of RM155.2 million.

The net cash inflow from operating activities and investing activities stood at RM2.5 million and RM0.8 million respectively.

The net cash outflow used in financing activities was RM13.8 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
	29.02.2024 RM'000	30.11.2023 RM'000	
Revenue	28,891	32,189	(10%)
Results from operating activities	4,731	7,828	(40%)
Share of profit of equity-accounted associate, net of tax	3,366	1,444	133%
Profit before tax	8,097	9,272	(13%)
Profit after tax	6,352	6,747	(6%)
Profit for the period attributable to owners of the Company	6,352	6,747	(6%)

Revenue for the current quarter under review was RM28.9 million, a decrease of 10% as compared to immediate preceding quarter of RM32.2 million.

Results from operating activities for the current quarter under review recorded a 40% decrease from RM7.8 million in the immediate preceding quarter to RM4.7 million. Decrease was mainly attributable

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024****13. Material Changes in Profit before Tax reported as compared with the Immediate Preceding Quarter (Continued)**

to decrease in revenue while managing similar level of operating costs, whilst immediate preceding quarter saw a write back of salary accrued which was no longer required.

Share of profit of equity-accounted associate stood at RM3.4 million, as compared to RM1.4 million in the immediate preceding quarter. Higher share of profit during the quarter under review was due to higher profit of the associate.

Profit after tax for the current quarter under review was RM6.4 million, representing a 6% decrease from RM6.7 million in the immediate preceding quarter.

14. Current year prospects

The Group is of the view that current year prospect remains challenging amid inflationary pressures that impact consumers' ability and willingness to spend, especially on premium-priced products. Hence it continues to ensure business sustainability by focusing on enhancing Zhulian business owner centric programmes to stimulate demand, as well as managing its resources prudently and continuously improve its operational efficiency.

15. Variance of Actual Profit from Forecast Profit

Not applicable.

16. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 29.02.2024 RM'000	Preceding Year Quarter 28.02.2023 RM'000	Current Year To Date 29.02.2024 RM'000	Preceding Year To Date 28.02.2023 RM'000
Current Year	2,017	2,137	2,017	2,137
Prior Year	(272)	(32)	(272)	(32)
Total	<u>1,745</u>	<u>2,105</u>	<u>1,745</u>	<u>2,105</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 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 29 FEBRUARY 2024****20. Trade Receivables**

The ageing analysis of trade receivables (included under trade and other receivables category in the Statement of Financial Position) for 29 February 2024 was as follows:

	RM'000	%
Not past due	17,185	98.63%
Past due 1-30 days	81	0.47%
Past due 31-120 days	157	0.9%
Past due >120 days	-	-
	<u>17,423</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 first interim dividend of 3 sen per ordinary share per ordinary share, totaling RM13,800,000 in respect of the financial year ending 30 November 2024 has been declared on 17 April 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 15 May 2024. The payment date is 5 June 2024.

22. Capital Commitment

The capital commitment of the Group which were contracted but not provided for as at 29 February 2024 was as follows:

	RM'000
Property, Plant and Equipment	<u>980</u>

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024****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 29.02.2024	Preceding Year 28.02.2023	Current Year 29.02.2024	Preceding Year 28.02.2023
Profit for the period attributable to owners of the Company (RM'000)	<u>6,352</u>	<u>6,847</u>	<u>6,352</u>	<u>6,847</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>1.38</u>	<u>1.49</u>	<u>1.38</u>	<u>1.49</u>

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

By Order of the Boar

Ch'ng Lay Hoon (MAICSA 0818580)
Company Secretary
17 April 2024
Penang