

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 31 AUGUST 2024**

	Current Year To Date 31.08.2024 RM'000 (Unaudited)	As at Preceding Financial Year End 30.11.2023 RM'000 (Audited)
Assets		
Property, plant and equipment	70,513	73,126
Right-of-use assets	9,291	9,510
Investment properties	30,346	31,318
Investment in an associate	160,807	168,923
Deferred tax assets	5,721	5,946
Total non-current assets	276,678	288,823
Inventories	31,722	34,854
Current tax assets	610	475
Trade and other receivables	24,093	23,878
Fixed deposit	26,000	-
Cash and cash equivalents	105,171	155,245
Total current assets	187,596	214,452
Total assets	464,274	503,275
Equity		
Share capital	230,000	230,000
Reserves	198,785	231,993
Total equity attributable to owners of the Company	428,785	461,993
Non-controlling interests	-	-
Total equity	428,785	461,993
Liabilities		
Lease liabilities	300	163
Deferred tax liabilities	3,303	3,690
Total non-current liabilities	3,603	3,853
Lease liabilities	37	130
Trade and other payables	31,066	36,345
Contract liabilities	144	227
Current tax liabilities	639	727
Total current liabilities	31,886	37,429
Total liabilities	35,489	41,282
Total equity and liabilities	464,274	503,275
<i>Net asset per ordinary share (sen)</i>	<i>93.21</i>	<i>100.43</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 31 AUGUST 2024**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.08.2024 RM'000 (Unaudited)	Preceding Year Quarter 31.08.2023 RM'000 (Unaudited)	Current Period To Date 31.08.2024 RM'000 (Unaudited)	Preceding Period To Date 31.08.2023 RM'000 (Unaudited)
Revenue	32,053	34,204	94,220	100,179
Results from operating activities	3,583	7,206	13,964	20,551
Share of profit of equity-accounted associate, net of tax	2,626	1,885	7,906	7,210
Profit before tax	6,209	9,091	21,870	27,761
Tax expense	(2,419)	(2,895)	(5,162)	(5,270)
Profit for the period attributable to owners of the Company	3,790	6,196	16,708	22,491
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	(40)	73	346	(465)
Share of other comprehensive expenses of equity-accounted associate	(1,622)	(1,228)	(8,862)	5,401
Total other comprehensive (loss)/income for the period, net of tax	(1,662)	(1,155)	(8,516)	4,936
Total comprehensive income for the period attributable to owners of the Company	2,128	5,041	8,192	27,427
Profit for the period attributable to:				
Owners of the Company	3,790	6,196	16,708	22,491
Non-controlling interests	-	-	-	-
	3,790	6,196	16,708	22,491
Total comprehensive income for the period attributable to:				
Owners of the Company	2,128	5,041	8,192	27,427
Non-controlling interests	-	-	-	-
	2,128	5,041	8,192	27,427
<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>	0.82	1.35	3.63	4.89

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 31 AUGUST 2024**

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.08.2024 RM'000 (Unaudited)	Preceding Year Quarter 31.08.2023 RM'000 (Unaudited)	Current Year To Date 31.08.2024 RM'000 (Unaudited)	Preceding Year To Date 31.08.2023 RM'000 (Unaudited)
Included in the total comprehensive income for the period are the following:				
Interest income	(965)	(1,128)	(2,854)	(3,311)
Other income including investment income	(485)	(907)	(1,554)	(3,027)
Interest expense	3	2	6	6
Depreciation and amortisation	1,382	1,580	4,189	4,735
Provision for/(Reversal of) and write off of inventories	1,028	50	1,246	147
(Gain) or loss on disposal of property, plant and equipment	(4)	(8)	(6)	(8)
Impairment/(Reversal of impairment) of assets	(4)	-	(4)	-
Foreign exchange (gain) or loss	2,848	843	9,796	(7,142)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 AUGUST 2024**

	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	-	(465)	-	-	(465)
Share of other comprehensive income of equity-accounted associate, net of tax	-	5,401	-	-	5,401
Total other comprehensive income for the period	-	4,936	-	-	4,936
Profit for the period	-	-	-	22,491	22,491
Total comprehensive income for the period	-	4,936	-	22,491	27,427
Dividends to owners of the Company	-	-	-	(64,400)	(64,400)
At 31 August 2023	<u>230,000</u>	<u>51,728</u>	<u>2,000</u>	<u>183,845</u>	<u>467,573</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 2023	230,000	53,201	2,000	176,792	461,993
Foreign currency translation differences for foreign operations	-	346	-	-	346
Share of other comprehensive income of equity-accounted associate, net of tax	-	(8,862)	-	-	(8,862)
Total other comprehensive income for the period	-	(8,516)	-	-	(8,516)
Profit for the period	-	-	-	16,708	16,708
Total comprehensive income for the period	-	(8,516)	-	16,708	8,192
Dividends to owners of the Company	-	-	-	(41,400)	(41,400)
At 31 August 2024	<u>230,000</u>	<u>44,685</u>	<u>2,000</u>	<u>152,100</u>	<u>428,785</u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2024**

	Current Year To Date 31.08.2024 RM'000 (Unaudited)	Preceding Year To Date 31.08.2023 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	21,870	27,761
Adjustments for:		
Non-cash items	(3,803)	(4,934)
Non-operating items	(2,854)	(3,311)
Operating profit before changes in working capital	<u>15,213</u>	<u>19,516</u>
Changes in working capital	2,155	351
Cash generated from operations	<u>17,368</u>	<u>19,867</u>
Dividend received from an associate	8,129	10,305
Interest paid	(6)	(6)
Tax paid	(5,546)	(6,772)
Net cash from operating activities	<u>19,945</u>	<u>23,394</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,854	3,311
Capital expenditure	(718)	(1,472)
Proceeds from disposal of fixed assets	6	8
Placement of Fixed Deposit	(26,000)	(750)
Net cash (used in)/from investing activities	(23,858)	1,097
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid to owners of the Company	(46,000)	(64,400)
Payment of lease liabilities	(98)	(97)
Net cash used in financing activities	(46,098)	(64,497)
Net decrease in cash and cash equivalents	<u>(50,011)</u>	<u>(40,006)</u>
Cash and cash equivalents at 1 December	155,245	200,607
Effects of exchange rates on cash and cash equivalents	(63)	43
Cash and cash equivalents at 31 August (Note 1)	<u><u>105,171</u></u>	<u><u>160,644</u></u>
NOTE 1		
Cash and cash equivalents consist of:	RM'000	RM'000
Short term deposits with licensed banks	28,577	67,767
Cash and bank balances	76,594	92,877
Total cash and cash equivalents	<u><u>105,171</u></u>	<u><u>160,644</u></u>

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 31 AUGUST 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*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to *the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 AUGUST 2024**

1 Basis of Preparation (Continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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 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 RM18.4 million in respect of the financial year ended 30 November 2023 were declared on 24 January 2024 and paid on 13 March 2024;
- (ii) A first interim dividend of 3 sen per ordinary share per ordinary share, totaling RM13.8 million in respect of the financial year ending 30 November 2024 was declared on 17 April 2024 and paid on 5 June 2024;
- (iii) A second interim dividend of 2 sen per ordinary share per ordinary share, totaling RM9.2 million in respect of the financial year ending 30 November 2024 was declared on 17 July 2024 and paid on 11 September 2024.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 AUGUST 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	
	31.08.2024 RM'000	31.08.2023 RM'000		31.08.2024 RM'000	31.08.2023 RM'000	
Malaysia	6,144	8,855	(31%)	18,613	24,237	(23%)
Thailand	24,422	23,090	6%	68,903	68,616	0.4%
Cambodia	1,201	1,944	(38%)	5,661	6,233	(9%)
Others	286	315	(9%)	1,043	1,093	(5%)
Total	32,053	34,204	(6%)	94,220	100,179	(6%)

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 Composition Of The Group

As part of the effort to expand direct marketing network, the Group has incorporated a 100% owned foreign subsidiary, namely Zhulian International (Philippines) Inc. in Philippines on 12 April 2024.

12. 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 31 AUGUST 2024****13. 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	
	31.08.2024 RM'000	31.08.2023 RM'000		31.08.2024 RM'000	31.08.2023 RM'000	
Revenue	32,053	34,204	(6%)	94,220	100,179	(6%)
Results from operating activities	3,583	7,206	(50%)	13,964	20,551	(32%)
Share of profit of equity-accounted associate, net of tax	2,626	1,885	39%	7,906	7,210	10%
Profit before tax	6,209	9,091	(32%)	21,870	27,761	(21%)
Profit after tax	3,790	6,196	(39%)	16,708	22,491	(26%)
Profit for the period attributable to owners of the Company	3,790	6,196	(39%)	16,708	22,491	(26%)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group revenue for the period under review was RM94.2 million, a decrease of 6% as compared to preceding year corresponding period of RM100.2 million. Decrease was attributable to overall weak consumer spending associated with prevailing economic condition and mounting inflationary pressures.

Results from operating activities stood at RM14.0 million, a decrease of 32% from RM20.6 million recorded in preceding year corresponding period. Decrease was a direct result of the drop in revenue while managing the necessary on-going operating costs.

Share of profit of equity-accounted associate for the period under review was RM7.9 million, a slight increase due to higher profit recorded by the associate.

Profit before tax for the period under review was RM21.9 million, a decrease of 21% as compared to preceding year corresponding period of RM27.8 million, resulting from lower results from operating activities.

Consolidated Statement of Financial Position

The Group's total assets as at 31 August 2024 was RM464.3 million, a decrease of RM39 million from last financial year ended 30 November 2023 of RM503.3 million. The decrease was mainly attributable to lower cash and bank balances and investment in associate.

The Group's total liabilities as at 31 August 2024 was RM35.5 million, a decrease of RM5.8 million from last financial year ended 30 November 2023 of RM41.3 million, mainly from lower dividends payable.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 AUGUST 2024****13. Review of Group's Performance (continued)**

The Group's total equity as at 31 August 2024 was RM428.8 million, a decrease of RM33.2 million from last financial year ended 30 November 2023 of RM462.0 million.

The Group's net asset per ordinary share as at 31 August 2024 was RM0.93.

Consolidated Statement of Cash Flows

The Group's cash and cash equivalents as at 31 August 2024 was RM105.2 million, a decrease of RM50 million from last financial year ended 30 November 2023 of RM155.2 million.

The net cash inflow from operating activities stood at RM20 million, a slight decrease of RM3.4 million compared to last year corresponding period of RM23.4 million.

The net cash outflow used in investing activities was RM23.9 million, mainly for placement of fixed deposit.

The net cash outflow used in financing activities was RM46.1 million, mainly dividends paid to shareholders of the Group.

14. 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 %
	31.08.2024 RM'000	31.05.2024 RM'000	
Revenue	32,053	33,276	(4%)
Results from operating activities	3,583	5,650	(37%)
Share of profit of equity-accounted associate, net of tax	2,626	1,914	37%
Profit before tax	6,209	7,564	(18%)
Profit after tax	3,790	6,565	(42%)
Profit for the period attributable to owners of the Company	3,790	6,565	(42%)

Revenue for the current quarter under review was RM32.1 million, a slight decrease of 4% as compared to immediate preceding quarter of RM33.3 million, due to strengthening of Ringgit against USD.

Results from operating activities for the current quarter under review was RM3.6 million, i.e. 37% lower from RM5.7 million in the immediate preceding quarter. Decrease was attributable to decrease in revenue while incurring on-going operating costs.

Share of profit of equity-accounted associate stood at RM2.6 million, as compared to RM1.9 million in the immediate preceding quarter. Higher share of profit during the quarter under review was due to higher profit of the associate.

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 AUGUST 2024****14. Material Changes in Profit before Tax reported as compared with the Immediate Preceding Quarter (Continued)**

Current quarter under review recorded corresponding decrease in profit before tax and profit after tax, resulting from the overall drop in the results from operating activities.

15. Current year prospects

The Group is of the view that current year prospect remains challenging amidst 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.

16. Variance of Actual Profit from Forecast Profit

Not applicable.

17. Taxation

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.08.2024 RM'000	Preceding Year Quarter 31.08.2023 RM'000	Current Year To Date 31.08.2024 RM'000	Preceding Year To Date 31.08.2023 RM'000
Current Year	2,430	2,906	7,150	7,764
Prior Year	(11)	(11)	(1,988)	(2,494)
Total	<u>2,419</u>	<u>2,895</u>	<u>5,162</u>	<u>5,270</u>

The effective tax rate for the current period under review was in line with statutory tax rate

18. Status of Corporate Proposals

There was no corporate proposal being announced during the year.

19. Group Borrowings

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

20. 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 PERIOD ENDED 31 AUGUST 2024****21. Trade Receivables**

The ageing analysis of trade receivables (included under trade and other receivables category in the Statement of Financial Position) for 31 August 2024 was as follows:

	RM'000	%
Not past due	17,272	93.06%
Past due 1-30 days	1,273	6.86%
Past due 31-120 days	13	0.07%
Past due >120 days	1	0.01%
	<u>18,559</u>	<u>100%</u>

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

22. Dividend Declared

A third interim dividend of 2 sen per ordinary share per ordinary share, totaling RM9.2 million in respect of the financial year ending 30 November 2024 has been declared on 23 October 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 20 November 2024. The payment date is 11 December 2024.

23. Capital Commitment

The capital commitment of the Group which were contracted but not provided for as at 31 August 2024 was as follows:

	RM'000
Property, Plant and Equipment	<u>677</u>

24. 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 31.08.2024	Preceding Year 31.08.2023	Current Year 31.08.2024	Preceding Year 31.08.2023
Profit for the period attributable to owners of the Company (RM'000)	<u>3,790</u>	<u>6,196</u>	<u>16,708</u>	<u>22,491</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>0.82</u>	<u>1.35</u>	<u>3.63</u>	<u>4.89</u>

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

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**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 AUGUST 2024**

By Order of the Board

Ch'ng Lay Hoon (MAICSA 0818580)
Company Secretary
23 October 2024
Penang