

Registration No.: 198001009827 (63611 - U)

**PELIKAN INTERNATIONAL CORPORATION BERHAD**  
**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**31 MARCH 2024**

**PELIKAN INTERNATIONAL CORPORATION BERHAD (Registration No.: 198001009827 (63611-U))**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
Interim report for the financial period ended 31 March 2024  
*The figures have not been audited.*

	Note	Individual Quarter 3 months ended		Cumulative Quarter Financial period ended	
		31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
<b>Continuing operations:</b>					
Revenue		30,989	2,792	30,989	2,792
Other operating income		2,365	41	2,365	41
Expenses excluding finance costs and tax		(31,903)	(5,659)	(31,903)	(5,659)
Finance costs		(84)	(588)	(84)	(588)
Profit/(Loss) before tax		1,367	(3,414)	1,367	(3,414)
Tax expense	B1	67	147	67	147
Profit/(Loss) from continuing operations		1,434	(3,267)	1,434	(3,267)
<b>Discontinued operations:</b>					
Profit from discontinued operations, net of tax		-	7,543	-	7,543
Profit for the financial period		1,434	4,276	1,434	4,276
Other comprehensive income: Items that may be reclassified subsequently to profit or loss: Exchange differences on translation of foreign operations		879	8,808	879	8,808
Other comprehensive income for the financial period, net of tax		879	8,808	879	8,808
Total comprehensive income for the financial period		2,313	13,084	2,313	13,084
Total profit/(loss) attributable to:					
Owners of the parent		1,439	4,648	1,439	4,648
Non-controlling interests		(5)	(372)	(5)	(372)
		1,434	4,276	1,434	4,276
Total comprehensive income/(loss) attributable to:					
Owners of the parent		2,192	13,692	2,192	13,692
Non-controlling interests		121	(608)	121	(608)
		2,313	13,084	2,313	13,084
		sen	sen	sen	sen
Basic earnings per ordinary share attributable to equity holders of the parent	B9	0.24	0.77	0.24	0.77

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

PELIKAN INTERNATIONAL CORPORATION BERHAD (Registration No.: 198001009827 (63611-U))  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
Interim report as at 31 March 2024  
*The figures have not been audited.*

	Note	31/03/2024 RM'000	31/12/2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		592	686
Investments in associates		1,362	1,362
Other financial assets		1,626	1,642
Deferred tax assets		668	598
		<u>4,248</u>	<u>4,288</u>
<b>Current assets</b>			
Inventories		5,802	5,593
Receivables, deposits and prepayments		55,461	56,407
Tax recoverable		254	335
Deposits, cash and bank balances		135,221	578,971
		<u>196,738</u>	<u>641,306</u>
<b>TOTAL ASSETS</b>		<b><u>200,986</u></b>	<b><u>645,594</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		187,869	640,273
Foreign currency translation reserves		(12,363)	(13,116)
Accumulated losses		(99,279)	(88,654)
Treasury shares, at cost		(5,150)	(5,150)
		<u>71,077</u>	<u>533,353</u>
Non-controlling interests		6,949	6,828
<b>Total equity</b>		<b><u>78,026</u></b>	<b><u>540,181</u></b>
<b>Non-current liabilities</b>			
Post-employment benefit obligations		6,303	6,270
Payables		73,665	73,665
Lease liabilities		145	197
Deferred tax liabilities		326	324
		<u>80,439</u>	<u>80,456</u>
<b>Current liabilities</b>			
Payables		37,405	18,740
Borrowings	B2	4,790	5,560
Lease liabilities		311	343
Current tax liabilities		15	314
		<u>42,521</u>	<u>24,957</u>
<b>Total liabilities</b>		<b><u>122,960</u></b>	<b><u>105,413</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>200,986</u></b>	<b><u>645,594</u></b>
Net assets per share attributable to owners of the parent (RM)		0.12	0.88

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**PELIKAN INTERNATIONAL CORPORATION BERHAD (Registration No.: 198001009827 (63611-U))**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Interim report for the financial period ended 31 March 2024**  
*The figures have not been audited.*

	Share Capital	Foreign currency translation reserves (non distributable)	Accumulated losses	Treasury shares, at cost	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2024</b>	640,273	(13,116)	(88,654)	(5,150)	533,353	6,828	540,181
(Loss)/profit for the financial period	-	-	1,439	-	1,439	(5)	1,434
Other comprehensive income	-	753	-	-	753	126	879
Total comprehensive income	-	753	1,439	-	2,192	121	2,313
Transaction with owners:							
Capital repayment	(452,404)	-	-	-	(452,404)	-	(452,404)
Dividends	-	-	(12,064)	-	(12,064)	-	(12,064)
<b>At 31 March 2024</b>	<b>187,869</b>	<b>(12,363)</b>	<b>(99,279)</b>	<b>(5,150)</b>	<b>71,077</b>	<b>6,949</b>	<b>78,026</b>
<b>At 1 January 2023</b>	640,273	(79,508)	(40,295)	(5,150)	515,320	4,056	519,376
Profit/(loss) for the financial period	-	-	4,648	-	4,648	(372)	4,276
Other comprehensive income/(loss)	-	9,044	-	-	9,044	(236)	8,808
Total comprehensive income/(loss)	-	9,044	4,648	-	13,692	(608)	13,084
<b>At 31 March 2023</b>	<b>640,273</b>	<b>(70,464)</b>	<b>(35,647)</b>	<b>(5,150)</b>	<b>529,012</b>	<b>3,448</b>	<b>532,460</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**PELIKAN INTERNATIONAL CORPORATION BERHAD (Registration No.: 198001009827 (63611-U))**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
Interim report for the financial period ended 31 March 2024  
*The figures have not been audited.*

	Financial period ended	
	31/03/2024	31/03/2023
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers	33,081	229,884
Cash paid to suppliers and employees	<u>(29,893)</u>	<u>(258,030)</u>
	3,188	(28,146)
Interest received	1,247	875
Interest paid	(85)	(3,941)
Taxation paid	<u>(222)</u>	<u>(3,134)</u>
<b>Net cash from/(used in) operating activities</b>	<u>4,128</u>	<u>(34,346)</u>
<b>Cash Flows From Investing Activities</b>		
Interest paid	-	(24)
Purchase of property, plant and equipment	-	(2,123)
Proceeds from disposal of property, plant and equipment	-	20
Purchase of intangible assets	<u>-</u>	<u>(57)</u>
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(2,184)</u>
<b>Cash Flows From Financing Activities</b>		
Drawdowns of bank borrowings	770	73,954
Repayments of bank borrowings	(804)	(50,255)
Repayments of lease liabilities	(86)	(6,644)
Capital repayment	<u>(452,404)</u>	<u>-</u>
<b>Net cash (used in)/from financing activities</b>	<u>(452,524)</u>	<u>17,055</u>
<b>Net decrease in cash and cash equivalents during the financial period</b>	(448,396)	(19,475)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	5,416	(695)
<b>Cash and cash equivalents at beginning of the financial period</b>	<u>572,153</u>	<u>67,647</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>129,173</u></u>	<u><u>47,477</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

**A. Notes to the Interim Financial Report**  
**For the first quarter and financial period ended 31 March 2024**

**A1. Basis of Preparation**

This interim financial report is based on the unaudited financial statements for the quarter ended 31 March 2024 and has been prepared in accordance with applicable disclosure provisions of paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia. They do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Group as at end of the financial year ended 31 December 2023.

**A2. Significant Accounting Policies**

The accounting policies applied by the Group in this interim financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2023.

**A3. Report of the Auditors to the Members**

The report of the auditors on the annual financial statements for the financial year ended 31 December 2023 was not subject to any qualification and did not include any adverse comments made under subsection (3) of Section 266 of the Companies Act 2016.

**A4. Seasonality or Cyclicity of Interim Operations**

The Group's operations were not significantly affected by any seasonal or cyclical factors.

**A5. Exceptional and/or Extraordinary Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 31 March 2024.

**A6. Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior interim periods of the current financial period or prior financial years.

**A7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current quarter ended 31 March 2024 except as disclosed in Note A14.

**A. Notes to the Interim Financial Report**  
**For the first quarter and financial period ended 31 March 2024**

**A8. Dividends**

On 22 March 2024, the Company declared a single-tier special dividend of 2 sen per ordinary share for the financial year ended 31 December 2023, which was paid on 22 April 2024.

**A9. Segment Information**

	Rest of World RM'000	Asia RM'000	Elimination RM'000	Group RM'000
<b>3 months ended</b>				
<b>31 March 2024</b>				
External revenue	1,418	29,571	-	30,989
Intersegment revenue	-	574	(574)	-
	1,418	30,145	(574)	30,989
Segment result	15	1,456	(20)	1,451

**Rest of World**

Rest of World comprise sales from Greece, representing 4.6% of the Group's revenue. The inflation situation in European countries continued to restrain the purchasing power of households in the current quarter.

**Asia**

Asia which comprise 95.4% of the Group's revenue consist of sales generated from the companies in Asia.

The region achieved segment results of RM1.5 million during the current quarter.

**A10. Valuation of Property, Plant and Equipment**

There were no valuations of property, plant and equipment during the current quarter ended 31 March 2024.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current quarter ended 31 March 2024.

**A. Notes to the Interim Financial Report**  
**For the first quarter and financial period ended 31 March 2024**

**A12. Events Subsequent to the End of the Reporting Period**

There was no event subsequent to the financial period ended 31 March 2024.

**A13. Contingent Liabilities**

The Group has classified certain tax liabilities amounting to RM31.8 million as contingent liabilities following MFRS 137 Provisions, Contingent Liabilities and Contingent Assets as there are uncertainty in the outcome of tax rulings being challenged in the courts. The challenge has existed since 2010 for the earliest case and 2015 for a latter case involving the subsidiaries.

**A14. Utilisation of Proceeds Raised From Corporate Proposals**

The Company together with its subsidiary companies, namely Pelikan Holding AG and MOLKARI Vermietungsgesellschaft mbH & Co. Objekt Falkensee KG (collectively, the “Vendors”), had on 29 June 2023 entered into a conditional sale and purchase agreement (“CSPA”) with Holdham SAS (“Holdham” or “Purchaser”) in relation to the disposal of the entire equity interests in Pelikan Group GmbH, Pelikan PBS-Produktionsgesellschaft mbH & Co. Kg and Pelikan PBS-Produktion Verwaltungs GmbH (“Disposal”).

On 13 December 2023, all CSPA have been fulfilled or waived and hence the CSPA become unconditional. The Disposal consideration less the Escrow amount €6 million has been received by the Vendors on 14 December 2023.

As at 17 May 2024, the status of utilisation of the proceeds from the Disposal was as follows:

<b>Purpose</b>	<b>Proposed Utilisation* RM'000</b>	<b>Amount Utilised RM'000</b>	<b>Amount Unutilised RM'000</b>
Proposed distribution	512,724	464,467	48,257 <sup>^</sup>
Working capital and settlement of liabilities	139,712	87,028	52,684
Repayment of bank borrowings	40,000	40,000	-
Estimated expenses	3,000	3,000	-
<b>Total</b>	<b>695,436</b>	<b>594,495</b>	<b>100,941</b>

<sup>^</sup> After considering the requirements of Section 131 of the Companies Act 2016 as at the date of the declaration of the proposed special dividend, the Board declared a special dividend of only 2 sen instead of 10 sen on 22 March 2024. The unutilised amount shall be adjusted towards the allocation for the group’s working capital.

\* As per Circular to Shareholders dated 7 September 2023.



**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B1. Tax Expense**

	3 months ended		Financial period ended	
	31/03/24	31/03/23	31/03/24	31/03/23
	RM'000	RM'000	RM'000	RM'000
Tax expense charged in respect of current financial period				
Continuing operations:				
- income tax	-	(9)	-	(9)
- deferred tax	67	156	67	156
	<u>67</u>	<u>147</u>	<u>67</u>	<u>147</u>
Discontinued operations:				
- income tax	-	(5,422)	-	(5,422)
- deferred tax	-	321	-	321
	<u>-</u>	<u>(5,101)</u>	<u>-</u>	<u>(5,101)</u>
Total tax expense	<u>67</u>	<u>(4,954)</u>	<u>67</u>	<u>(4,954)</u>

For the financial period ended 31 March 2024, the Group was able to utilise unused tax losses to offset the taxable profits during the current quarter.

**B2. Borrowings**

Details of the Group's borrowings as at 31 March 2024 are as set out below:

Currency	Short Term		Total
	Secured RM'000	Unsecured RM'000	RM'000
Euro	4,790	-	4,790
Total	<u>4,790</u>	<u>-</u>	<u>4,790</u>

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B3. Capital Commitments**

There was no capital commitments not provided for in the financial statements as at 31 March 2024.

**B4. Review of Performance**

The Group's generated sales of RM31.0 million in the current quarter compared to RM2.8 million in the previous year's corresponding quarter. The significant increase in turnover was due to the continued revenue generated for purchasing of Pelikan branded products which is now classified as 3rd party revenue. Besides, the development of the revenue in markets such as China/Taiwan has been fairly good in the current quarter.

The Group achieved a profit before tax of RM1.4 million in the current quarter as opposed to a loss of RM3.4 million in the corresponding quarter last year.

**B5. Variation of Results Against Preceding Quarter**

The Group recorded a profit for the financial period in the current quarter as compared to a loss for the financial period in the preceding quarter mainly due to the one off effects from the from the deconsolidation and disposal in the preceding quarter.

**B6. Prospects**

Following the completion of the Disposal, the Company is classified as an affected listed issuer under paragraph 8.03(A) of the Bursa Malaysia Listing Requirements. The Company has until 13 December 2024 to submit a regularisation plan to the relevant authorities for approval to address the Company's affected listed issuer status. Nevertheless, the Group will continue to promote and build the remaining stationery business that it has, particularly in the Asian region, as a distributor for the "Pelikan" and "herlitz" brands. At the same time, the Group will be evaluating any other opportunities that could increase the Group's turnover and income.

**B7. Dividend**

On 22 March 2024, the Company declared a single-tier special dividend of 2 sen per ordinary share for the financial year ended 31 December 2023, which was paid on 22 April 2024.

**B8. Variance on Profit Forecast/Shortfall in Profit Guarantee**

Not applicable.

**B. Additional Information Required by the Bursa Malaysia Securities Berhad's Listing Requirements**

**B9. Earnings Per Ordinary Share**

Basic earnings per ordinary share:	3 months ended		Financial period ended	
	31/03/24	31/03/23	31/03/24	31/03/23
Profit attributable to owners of the parent (RM'000)	1,439	4,648	1,439	4,648
Weighted average number of ordinary shares in issue ('000)	603,205	603,205	603,205	603,205
Basic earnings per ordinary share (sen)	0.24	0.77	0.24	0.77

**B10. Additional Notes to the Statement of Comprehensive Income**

Profit for the financial period is arrived at after charging/(crediting):	3 months ended		Financial period ended	
	31/03/24 RM'000	31/03/23 RM'000	31/03/24 RM'000	31/03/23 RM'000
Interest income	(1,247)	(875)	(1,247)	(875)
Interest expense	84	3,886	84	3,886
Depreciation, amortisation and impairment	96	6,585	96	6,585
Impairment losses on receivables	-	75	-	75
Inventories written down/(Reversal of inventories written down)	5	(202)	5	(202)
Loss on disposal of property, plant and equipment	-	21	-	21
Foreign exchange (gain)/loss	(77)	1,179	(77)	1,179