

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 30TH APRIL 2017**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-17 RM'000	Preceding Year Corresponding Quarter 30-Apr-16 RM'000	Current Year To Date 30-Apr-17 RM'000	Preceding Year To Date 30-Apr-16 RM'000
Revenue	32,546	23,606	106,269	90,411
Cost of sales	(19,963)	(14,452)	(62,224)	(55,117)
Gross profit	12,583	9,154	44,045	35,294
Other income	686	162	3,009	950
Selling & distribution expenses	(1,956)	(1,321)	(6,559)	(5,936)
Administrative expenses	(3,017)	(2,215)	(10,053)	(8,386)
Other operating expenses	(324)	(940)	(63)	(367)
Finance costs	(87)	(38)	(156)	(193)
Profit before tax	7,885	4,802	30,223	21,362
Income tax expense	(1,515)	(1,099)	(6,508)	(4,702)
Profit for the period	6,370	3,703	23,715	16,660
Other comprehensive income / (loss) :	-	-	-	-
<i>Items that will not be reclassified subsequently to income statement:</i>				
Revaluation of property, plant and equipment	3,582	-	3,582	-
<i>Items that may be reclassified subsequently to income statement:</i>				
Foreign currency translation	(17)	-	(18)	-
Total comprehensive income for the period	9,935	3,703	27,279	16,660
Profit attributable to :				
Owners of the Company	6,370	3,703	23,715	16,660
Non-Controlling Interest	-	-	-	-
	6,370	3,703	23,715	16,660
Total comprehensive income attributable to :				
Owners of the Company	9,935	3,703	27,279	16,660
Non-Controlling Interest	-	-	-	-
	9,935	3,703	27,279	16,660
Basic earnings per share (sen)	8.02	4.66	29.87	20.98

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH APRIL 2017

	As At 30-Apr-17 RM'000	Audited As At 30-Apr-16 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	71,520	56,317
Prepaid lease payments	2,345	-
Intangible asset	1,344	1,594
Other investment	47	47
Deferred tax assets	491	575
	<u>75,747</u>	<u>58,533</u>
Current assets		
Inventories	19,796	8,537
Trade receivables	12,991	10,357
Other receivables, prepayments and other assets	3,155	1,772
Deposit with licensed bank	18,094	16,946
Bank & cash balances	14,299	13,452
	<u>68,335</u>	<u>51,064</u>
TOTAL ASSETS	<u><u>144,082</u></u>	<u><u>109,597</u></u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(339)	(338)
Currency translation reserve	(18)	-
Revaluation reserves	21,020	17,680
Retained profits	45,893	30,669
Total Equity	<u>107,989</u>	<u>89,444</u>
Non-current liabilities		
Loan and borrowings	6,547	1,432
Deferred tax liability	5,033	4,592
	<u>11,580</u>	<u>6,024</u>
Current liabilities		
Loan and borrowings	3,820	1,437
Trade payables	6,349	3,899
Other payables and accruals	8,302	5,201
Dividend payable	4,764	3,176
Tax payable	1,278	416
	<u>24,513</u>	<u>14,129</u>
TOTAL EQUITY AND LIABILITIES	<u><u>144,082</u></u>	<u><u>109,597</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u><u>136.01</u></u>	<u><u>112.65</u></u>

Note:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 April 2016 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR FINANCIAL PERIOD ENDED 30TH APRIL 2017**

	Attributable to Owners of the Parent				Distributable		Total Equity RM'000
	Non-Distributable			Currency	Revaluation	Retained	
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Translation Reserve RM'000	Reserve RM'000	Profit RM'000	
Balance as at 1 May 2015	40,000	1,433	(329)	-	17,924	20,912	79,940
Profit for the period	-	-	-	-	-	16,660	16,660
Realisation of revaluation surplus	-	-	-	-	(243)	243	-
Share buy back	-	-	(10)	-	-	-	(10)
Distribution of dividend	-	-	-	-	-	(7,146)	(7,146)
Balance as at 30 April 2016	<u>40,000</u>	<u>1,433</u>	<u>(339)</u>	<u>-</u>	<u>17,681</u>	<u>30,669</u>	<u>89,444</u>
Balance as at 1 May 2016	40,000	1,433	(339)	-	17,681	30,669	89,444
Profit for the period	-	-	-	-	-	23,715	23,715
Other comprehensive income/(loss)	-	-	-	(18)	3,582	-	3,564
Total comprehensive income/(loss)	-	-	-	(18)	3,582	23,715	27,279
Realisation of revaluation surplus	-	-	-	-	(243)	243	-
Distribution of dividend	-	-	-	-	-	(8,734)	(8,734)
	<u>40,000</u>	<u>1,433</u>	<u>(339)</u>	<u>(18)</u>	<u>21,020</u>	<u>45,893</u>	<u>107,989</u>
Transfer pursuant to S618(2) of CA 2016*	1,433	(1,433)	-	-	-	-	-
Balance as at 30 April 2017	<u>41,433</u>	<u>-</u>	<u>(339)</u>	<u>(18)</u>	<u>21,020</u>	<u>45,893</u>	<u>107,989</u>

*Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016), any outstanding share premium and capital redemption reserve accounts shall become part of Share Capital.

Note:
 The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2016 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30TH APRIL 2017**

	Current Year Ended 30-Apr-17 RM'000	Preceding Year Ended 30-Apr-16 RM'000
Cash flows from operating activities		
Profit before tax	30,223	21,362
Adjustment for :		
Non-cash items	2,993	4,585
Non-operating items	(635)	(286)
	<u>32,581</u>	<u>25,661</u>
Operating profit before working capital changes		
Changes in working capital		
Inventories	(11,142)	2,704
Trade and other receivables	(3,827)	484
Trade and other payables	5,654	1,260
	<u>23,266</u>	<u>30,109</u>
Cash generated from / (used) in operations		
Interest paid	(156)	(192)
Interest received	791	478
Tax paid	(5,310)	(5,264)
	<u>18,591</u>	<u>25,131</u>
Net cash from / (used in) operating activities		
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	430	95
Purchase of property, plant & equipment and development expenditure	(15,015)	(5,382)
Prepaid lease payments for land	(2,345)	-
	<u>(16,930)</u>	<u>(5,287)</u>
Net cash from / (used in) investing activities		
Cash flows from financing activities		
Purchase of treasury shares	-	(11)
Proceed from finance leases	300	-
Proceed from term loan	9,881	-
Net movement in trade bills & multi currency trade loan	2,363	(494)
Repayment of term loan	(4,550)	(334)
Repayment of finance leases	(496)	(334)
Dividend paid	(7,146)	(3,970)
	<u>352</u>	<u>(5,143)</u>
Net cash from / (used in) financing activities		
Net increase in cash and cash equivalents	2,013	14,701
Currency Translation Differences	(18)	-
Cash and cash equivalents as at beginning of financial year	30,398	15,697
	<u>32,393</u>	<u>30,398</u>
Cash and cash equivalents as at end of period		
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	32,393	30,398
	<u>32,393</u>	<u>30,398</u>

Note:

The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2016 and the accompanying notes to the Interim Financial Statements.

Explanatory Notes Pursuant to Financial Reporting Standard (“FRS”) No. 134

A1. BASIS OF PREPARATION

The interim financial statements of Superlon Holdings Berhad (“Superlon” or “the Company”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board and paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2016.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 30 April 2016 except for the adoption of the following MFRSs, IC interpretations, amendments to MFRSs and IC interpretations issued by Malaysian Accounting Standards Board (“MASB”) that are mandatory for the Group for the financial year beginning or after 1 May 2016 :

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective date
MFRS 9 : Financial Instrument (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 14 : Regulatory Deferral Accounts	1 January 2016
MFRS 15 : Revenue from Contracts with Customer	1 January 2018
MFRS 16 : Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011) : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) : Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 15 : Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15 : Clarifications to MFRS 15 ‘Revenue from Contracts with customers’	1 January 2018
Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107 : Disclosure Initiative	1 January 2017
Amendments to MFRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 : Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011) : Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2016 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2016.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2016 are not qualified.

A4. SEASONAL AND CYCLICAL FACTORS

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

A6. SIGNIFICANT CHANGES IN ESTIMATES

There were no changes in accounting estimates that have had a material effect in the current quarter's results.

A7. ISSUANCES AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

The SHB shares bought back are held as treasury shares in accordance with section 67A subsection 3(A)(b) of the Companies Act 1965. As at 30 April 2017, the number of treasury shares held in hand amounted to 600,079 ordinary shares, at an average buy-back price of RM0.57 per share.

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

A9. SEGMENTAL INFORMATIONBusiness Segment

The Group is principally engaged in the business segment of manufacturing of thermal insulation materials mainly for the HVAC&R industry, trading of HVAC&R parts and equipment.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-17	Preceding Year Corresponding Quarter 30-Apr-16	Current Year To Date 30-Apr-17	Preceding Year To Date 30-Apr-16
Revenue				
- Manufacturing	28,428	22,184	96,268	84,766
- Trading	4,118	1,422	10,001	5,645
	<u>32,546</u>	<u>23,606</u>	<u>106,269</u>	<u>90,411</u>
Profit before tax				
- Manufacturing	7,851	4,919	30,331	21,609
- Trading	208	13	428	202
	<u>8,059</u>	<u>4,932</u>	<u>30,759</u>	<u>21,811</u>
Less : Unallocated corporate cost	(174)	(130)	(536)	(449)
	<u>7,885</u>	<u>4,802</u>	<u>30,223</u>	<u>21,362</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Group has adopted revaluation model for lands during the last quarter ended 30 April 2017.

Lands is reported at valuation, which is based on valuation performed by independent professional valuer. Surplus arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reverse.

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There was no material event subsequent to the end of the reporting period.

A12. CHANGES IN COMPOSITION OF THE GROUP

There are no changes in the composition of the Group during the current quarter under review.

A13. CHANGES IN CONTINGENT LIABILITIES

The Directors are of the opinion that the Company has no material contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of the Group.

B. Additional Information Required By Bursa Malaysia Securities Berhad Listing Requirements**B1. PERFORMANCE REVIEW**

The Group revenue for the current quarter of RM32.5 million increased by RM8.9 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM7.9 million in the current quarter as compared to RM4.8 million during the same quarter of previous year

The manufacturing division recorded revenue and profit before tax of RM28.4 million (FY 2016 : RM22.2 million) and RM7.9 million (FY 2016 : RM4.9 million) respectively. The higher profit before tax is mainly due to the increase in total gross profit generated from higher volume of sales and favourable exchange rate. The higher other income recorded also contributed to increase in net profit before tax.

Revenue for the trading division of RM4.1 million (FY 2016 : RM1.4 million) was higher by RM2.7 million due to the increased sales of copper pipes to local customers. The trading division profit before tax in current quarter has increased to RM0.2 million compared to RM0.01 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 26% to RM32.5 million as compared to RM25.8 million in the preceding quarter.

The group registered a profit before tax of RM7.9 million in the current quarter as compared to RM8.0 million in the preceding quarter. Profit after tax of the Group has increased by RM0.1 million to RM6.4 million as compared to the preceding quarter.

B3. COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances and based on the present trend of demand, the Board expects the Group to achieve satisfactory results for the financial year ending 30 April 2018.

On the back of encouraging demand, Superlon is looking to expand its capacity by setting up a new factory in Vietnam ("Factory 4"). The company plans to invest approximately USD 4 million for the expansion plans and is targeting for Factory 4 to commence production in the FY2019. The new factory would enable Superlon to strengthen its presence and support its customers in Vietnam and neighbouring countries.

B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT

The Company did not issue any profit forecast for the year.

B5. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-17 RM'000	Preceding Year Corresponding Quarter 30-Apr-16 RM'000	Current Year To Date 30-Apr-17 RM'000	Preceding Year To Date 30-Apr-16 RM'000
Malaysia Taxation :				
-Current tax expenses	1,066	1,111	6,208	4,668
-Deferred tax expenses / (income)	449	(36)	336	(88)
Under / (Over) provision in prior year				
-Current tax expenses		24	(36)	122
	1,515	1,099	6,508	4,702

The tax expense for the current quarter ended 30 April 2017 is derived based on statutory current tax rate of 24% (YA2017) for the financial period. The deferred tax liabilities arose from accelerated capital allowances over depreciation of qualifying property, plant and equipment.

B6. UNQUOTED SECURITIES AND/OR PROPERTIES

There were neither purchases nor disposals of any unquoted securities and / or properties for the current quarter under review.

B7. INVESTMENT IN QUOTED SECURITIES

There was no purchase or disposal by the Group in quoted securities for the current quarter under review.

The Group does not hold any investments in quoted securities as at 30 April 2017.

B8. CORPORATE PROPOSAL

There is no outstanding corporate proposal of the Group during the current quarter under review.

B9. BORROWINGS

The Group's borrowings as at the end of the reporting quarter are as follows:

	Current Year To Date 30-Apr-17	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	3,098	-
- Term Loan	446	6,319
Finance leases	276	228
	3,820	6,547

B10. OUSTANDING DERIVATIVES

With the adoption of FRS 139, there are currently no off balance sheet derivatives.

As at 30 April 2017, the Group does not have any outstanding foreign exchange contract.

B11. MATERIAL LITIGATION

There is no pending material litigation as at the date of this quarterly report that has a material effect on the financial position of the Group. The Board does not know of any proceeding pending or threatened, or of any effect likely to give rise to any proceeding, which might materially and adversely affect the position or business of the Company or its subsidiary.

B12. PROPOSED DIVIDEND

On even date, the Board of Directors has declared and approved the interim single-tier dividend of 1.5 sen per ordinary share (after share split) (FY 2017 Interim : 2.5 sen) for the financial year ending 30 April 2018. The interim single-tier dividend will be paid on 28 July 2017 to shareholders whose name appeared on the company's Record of Depositors on 7 July 2017.

B13. EARNINGS PER SHARE ("EPS")

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-17 RM'000	Preceding Year Corresponding Quarter 30-Apr-16 RM'000	Current Year To Date 30-Apr-17 RM'000	Preceding Year To Date 30-Apr-16 RM'000
Profit attributable to owners of the Parent	6,370	3,703	23,715	16,660
Weighted average number of ordinary shares of RM0.50 in issue ('000)	79,400	79,406	79,400	79,406
Basic earnings per share (sen)	8.02	4.66	29.87	20.98

The diluted earnings per share for the Company is not presented as there are no potential dilutive ordinary shares during the financial period.

B.14 REALISED AND UNREALISED RETAINED PROFITS

The breakdown of the retained earnings of the Group as at 30 April 2017, into realised and unrealised profits, is as follow :

	Current Year To Date 30-Apr-17 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	62,756
-Unrealised loss	(4,705)
	<hr/>
	58,051
Less : Consolidation adjustments	(12,158)
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	<u>45,893</u>

By Order of the Board

Liu Lee, Hsiu-Lin (also known as Jessica H. Liu)
Managing Director

Kuala Lumpur
20 June 2017