

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31ST JANUARY 2018**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-18 RM'000	Preceding Year Corresponding Quarter 31-Jan-17 RM'000	Current Year To Date 31-Jan-18 RM'000	Preceding Year To Date 31-Jan-17 RM'000
Revenue	27,137	25,801	84,028	73,723
Cost of sales	(17,518)	(14,888)	(56,547)	(42,261)
Gross profit	9,619	10,913	27,481	31,462
Other income	215	1,196	560	2,630
Selling & distribution expenses	(1,496)	(1,460)	(5,127)	(4,603)
Administrative expenses	(2,394)	(2,491)	(6,823)	(7,036)
Other operating expenses	(817)	(167)	(1,346)	(46)
Finance costs	(104)	(23)	(304)	(69)
Profit before tax	5,023	7,968	14,441	22,338
Income tax expense	(1,314)	(1,718)	(3,556)	(4,993)
Profit for the period	3,709	6,250	10,885	17,345
Other comprehensive income / (loss) :	-	-	-	-
<i>Items that will not be reclassified subsequently to income statement:</i>				
Revaluation of property, plant and equipment	-	-	-	-
<i>Items that may be reclassified subsequently to income statement:</i>				
Foreign currency translation	(577)	3	(516)	(1)
Total comprehensive income for the period	3,132	6,253	10,369	17,344
Profit attributable to :				
Owners of the Company	3,709	6,250	10,885	17,345
Non-Controlling Interest	-	-	-	-
	3,709	6,250	10,885	17,345
Total comprehensive income attributable to :				
Owners of the Company	3,132	6,253	10,369	17,344
Non-Controlling Interest	-	-	-	-
	3,132	6,253	10,369	17,344
Basic earnings per share (sen)	2.34	3.94	6.85	10.92

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2017 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST JANUARY 2018

	As At 31-Jan-18 RM'000	Audited As At 30-Apr-17 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	70,170	71,520
Prepaid lease payments	2,049	2,345
Intangible asset	1,190	1,344
Other investment	47	47
Deferred tax assets	345	491
	73,801	75,747
Current assets		
Inventories	20,331	19,796
Trade receivables	11,868	12,991
Other receivables, prepayments and other assets	7,100	3,155
Deposit with licensed bank	19,986	18,094
Bank & cash balances	7,808	14,299
	67,093	68,335
TOTAL ASSETS	140,894	144,082
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(339)	(339)
Currency translation reserve	(534)	(18)
Revaluation reserves	20,838	21,020
Retained profits	52,990	45,893
Total Equity	114,388	107,989
Non-current liabilities		
Loan and borrowings	6,663	6,547
Deferred tax liability	4,891	5,033
	11,554	11,580
Current liabilities		
Loan and borrowings	3,267	3,820
Trade payables	5,939	6,349
Other payables and accruals	5,744	8,302
Dividend payable	-	4,764
Tax payable	2	1,278
	14,952	24,513
TOTAL EQUITY AND LIABILITIES	140,894	144,082
Net assets per ordinary share attributable to Owners of Company (sen)	72.03	68.01

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 2017 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL PERIOD ENDED 31ST JANUARY 2018

	Attributable to Owners of the Parent				Distributable		Total Equity RM'000
	Non-Distributable		Treasury Share RM'000	Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	
	Share Capital RM'000	Share Premium RM'000					
Balance as at 1 May 2016	40,000	1,433	(339)	-	17,681	30,669	89,444
Profit for the period	-	-	-	-	-	17,344	17,344
Other comprehensive income/(loss)	-	-	-	2	-	-	2
Total comprehensive income/(loss)	-	-	-	2	-	17,344	17,344
Realisation of revaluation surplus	-	-	-	-	(182)	182	-
Distribution of dividend	-	-	-	-	-	(3,970)	(3,970)
Balance as at 31 January 2017	<u>40,000</u>	<u>1,433</u>	<u>(339)</u>	<u>2</u>	<u>17,499</u>	<u>44,225</u>	<u>102,820</u>
Balance as at 1 May 2017	40,000	1,433	(339)	(18)	21,020	45,893	107,989
Profit for the period	-	-	-	-	-	10,885	10,885
Other comprehensive income/(loss)	-	-	-	(516)	-	-	(516)
Total comprehensive income/(loss)	-	-	-	(516)	-	10,885	10,369
Realisation of revaluation surplus	-	-	-	-	(182)	182	-
Distribution of dividend	-	-	-	-	-	(3,970)	(3,970)
Balance as at 31 January 2018	<u>40,000</u>	<u>1,433</u>	<u>(339)</u>	<u>(534)</u>	<u>20,838</u>	<u>52,990</u>	<u>114,388</u>

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 2017 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31ST JANUARY 2018**

	Current Year Ended 31-Jan-18 RM'000	Preceding Year Ended 31-Jan-17 RM'000
Cash flows from operating activities		
Profit before tax	14,441	22,338
Adjustment for :		
Non-cash items	3,063	2,496
Non-operating items	(208)	(548)
	<hr/>	<hr/>
Operating profit before working capital changes	17,296	24,286
Changes in working capital		
Inventories	(518)	(1,366)
Trade and other receivables	(2,959)	708
Trade and other payables	(2,767)	(2,116)
	<hr/>	<hr/>
Cash generated from / (used) in operations	11,052	21,512
Interest paid	(303)	(69)
Interest received	511	617
Tax paid	(4,829)	(3,651)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<hr/> 6,431	<hr/> 18,409
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	22	430
Purchase of property, plant & equipment and development expenditure	(1,567)	(9,806)
Prepaid lease payments for land	-	-
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<hr/> (1,545)	<hr/> (9,376)
Cash flows from financing activities		
Purchase of treasury shares	-	-
Proceed from finance leases	-	300
Proceed from term loan	657	8,762
Net movement in trade bills & multi currency trade loan	(399)	887
Repayment of term loan	(469)	(4,479)
Repayment of finance leases	(226)	(412)
Dividend paid	(8,734)	(7,146)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<hr/> (9,171)	<hr/> (2,088)
Net increase in cash and cash equivalents	(4,285)	6,945
Currency Translation Differences	(314)	1
Cash and cash equivalents as at beginning of financial year	31,649	30,398
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<hr/> 27,050	<hr/> 37,344
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	27,050	37,344
	<hr/>	<hr/>
	<hr/> 27,050	<hr/> 37,344

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31ST JANUARY 2018 (cont'd)**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statements of financial position amounts:

	Current Year Ended 31-Jan-18 RM'000	Preceding Year Ended 31-Jan-17 RM'000
Cash and bank balances	7,808	22,747
Deposit with licensed banks	19,986	14,597
	<u>27,794</u>	<u>37,344</u>
Deposit with maturity more than 3 months	(744)	-
Cash and cash equivalents	<u><u>27,050</u></u>	<u><u>37,344</u></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 2017 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 2017. 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 2017.

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 2017 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 2017 :

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 15 : Revenue from Contracts with Customer	1 January 2018
MFRS 16 : Leases	1 January 2019
IC Interpretation 22 : Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendment to MFRS 2 : Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendment to MFRS 4 : Applying MFRS 9 Financial Instruments with MFRS4 insurance Contracts	1 January 2018*
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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 107 : Disclosure Initiative	1 January 2017
Amendments to MFRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 140 : Transfer of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle :	
• Amendments to MFRS 12 : Clarification of the Scope of Standard	1 January 2017
Annual Improvements to MFRS Standards 2014 – 2016 Cycle :	
• Amendments to MFRS 1 : Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128 : Measuring an Associate or Joint Venture at Fair Value	1 January 2018

* Entities that meet the specific criteria in MFRS 4.20B may choose to defer the application of MFRS 9 until the earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2017 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2017.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2017 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 31 January 2018, the number of treasury shares held in hand amounted to 1,200,158 ordinary shares, at an average buy-back price of RM0.28 per share.

A8. DIVIDEND PAID

On 14 Dec 2017, the Board of Directors has declared and approved the second interim single-tier dividend of 1 sen per ordinary share (FY 2017 Second Interim : 1.25 sen after adjusting for the 2-for-1 share split) for the financial year ending 30 April 2018. The second interim single-tier dividend was paid on 25 January 2018 to shareholders whose name appeared on the company's Record of Depositors on 4 January 2018.

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 31-Jan-18	Preceding Year Corresponding Quarter 31-Jan-17	Current Year To Date 31-Jan-18	Preceding Year To Date 31-Jan-17
Revenue				
- Manufacturing	23,470	23,137	72,835	67,840
- Trading	3,667	2,664	11,193	5,883
	<u>27,137</u>	<u>25,801</u>	<u>84,028</u>	<u>73,723</u>
Profit before tax				
- Manufacturing	5,551	8,032	14,921	22,480
- Trading	246	76	648	229
	<u>5,797</u>	<u>8,108</u>	<u>15,569</u>	<u>22,709</u>
Less : Unallocated corporate cost	(774)	(140)	(1,128)	(371)
	<u>5,023</u>	<u>7,968</u>	<u>14,441</u>	<u>22,338</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuation of lands have been brought forward without amendment from the financial year ended 30 April 2017.

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 RM27.1 million increased by RM1.3 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM5.0 million in the current quarter as compared to RM8.0 million during the same quarter of previous year

The manufacturing division recorded revenue and profit before tax of RM23.5 million (FY 2017 : RM23.1 million) and RM5.6 million (FY 2017 : RM8.0 million) respectively. The profit before tax is lower mainly due to decrease in total gross profit contributed as a result of higher cost of material, unfavourable exchange rates and exchange loss incurred as compared with exchange gain incurred for the same quarter in the previous year.

Revenue for the trading division of RM3.7 million (FY 2017 : RM2.7 million) was higher by RM1 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 RM0.08 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has decreased by 13% to RM27.1 million as compared to RM30.6 million in the preceding quarter due to less favourable exchange rates. The sales volume and pattern normalised in the 3rd quarter after the preceding quarter experienced a surge in sales volume. Despite the lower revenue, the group registered a profit before tax of RM5.0 million in the current quarter as compared to RM4.9 million in the preceding quarter. Profit after tax of the Group has increased by RM0.1 million to RM3.7 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. Construction of our factory in Vietnam is currently in progress and on track.

B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT

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

B5. PROFIT BEFORE TAXATION

	Current Year Quarter 31-Jan-18 RM'000	Current Year To Date 31-Jan-18 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Amortisation of prepaid lease payment	13	42
Depreciation of property, plant and equipment	973	2,917
(Gain)/Loss on foreign exchange - realised	629	1,152
(Gain)/Loss on foreign exchange - unrealised	174	148
Interest expenses	104	304
Interest income	(192)	(511)
Other expenses	14	45
Other income	(23)	(30)
Reversal of impairment on receivables	-	(19)
	<u> </u>	<u> </u>

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-18 RM'000	Preceding Year Corresponding Quarter 31-Jan-17 RM'000	Current Year To Date 31-Jan-18 RM'000	Preceding Year To Date 31-Jan-17 RM'000
Malaysia Taxation :				
-Current tax expenses	1,312	1,802	3,558	5,142
-Deferred tax expenses / (income)	7	(48)	3	(113)
Under / (Over) provision in prior year				
-Current tax expenses	(5)	(36)	(5)	(36)
	1,314	1,718	3,556	4,993

The tax expense for the current quarter ended 31 January 2018 is derived based on statutory current tax rate of 24% (YA2018) for the financial period. The deferred tax liabilities arose from accelerated capital allowances over depreciation of qualifying property, plant and equipment.

B7. UNQUOTED SECURITIES AND/OR PROPERTIES

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

B8. 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 31 January 2018.

B9. CORPORATE PROPOSAL

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

B10. BORROWINGS

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

	Current Year To Date 31-Jan-18	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	2,699	-
- Term Loan	415	6,538
Finance leases	153	125
	3,267	6,663

B11. OUSTANDING DERIVATIVES

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

As at 31 January 2018, the Group does not have any outstanding foreign exchange contract.

B12. 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.

B13. PROPOSED DIVIDEND

On the even date, the Board of Directors has declared and approved the third interim single-tier dividend of 1 sen per ordinary share (FY 2017 Special : 3 sen after adjusting for the 2-for-1 share split) for the financial year ending 30 April 2018. The third interim single-tier dividend will be paid on 27 April 2018 to shareholders whose name appeared on the company's Record of Depositors on 6 April 2018.

B14. EARNINGS PER SHARE ("EPS")

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-18 RM'000	Preceding Year Corresponding Quarter 31-Jan-17 RM'000	Current Year To Date 31-Jan-18 RM'000	Preceding Year To Date 31-Jan-17 RM'000
Profit attributable to owners of the Parent	3,709	6,250	10,885	17,344
Weighted average number of ordinary shares	158,800	158,800	158,800	158,800
Basic earnings per share (sen)	2.34	3.94	6.85	10.92

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

By Order of the Board

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

Kuala Lumpur
20 March 2018