

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 30TH APRIL 2018**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-18 RM'000	Preceding Year Corresponding Quarter 30-Apr-17 RM'000	Current Year To Date 30-Apr-18 RM'000	Preceding Year To Date 30-Apr-17 RM'000
Revenue	25,357	32,546	109,385	106,269
Cost of sales	(19,420)	(19,963)	(75,966)	(62,224)
Gross profit	5,937	12,583	33,419	44,045
Other income	172	686	731	3,009
Selling & distribution expenses	(1,777)	(1,956)	(6,905)	(6,559)
Administrative expenses	(2,309)	(3,017)	(9,133)	(10,053)
Other operating expenses	(497)	(324)	(1,843)	(63)
Finance costs	(104)	(87)	(407)	(156)
Profit before tax	1,422	7,885	15,862	30,223
Income tax expense	(40)	(1,515)	(3,596)	(6,508)
Profit for the period	1,382	6,370	12,266	23,715
Other comprehensive income / (loss) :	-	-	-	-
<i>Items that will not be reclassified subsequently to income statement:</i>				
Revaluation of property, plant and equipment	3,751	3,582	3,751	3,582
<i>Items that may be reclassified subsequently to income statement:</i>				
Foreign currency translation	80	(17)	(436)	(18)
Total comprehensive income for the period	5,213	9,935	15,581	27,279
Profit attributable to :				
Owners of the Company	1,382	6,370	12,266	23,715
Non-Controlling Interest	-	-	-	-
	1,382	6,370	12,266	23,715
Total comprehensive income attributable to :				
Owners of the Company	5,213	9,935	15,581	27,279
Non-Controlling Interest	-	-	-	-
	5,213	9,935	15,581	27,279
Basic earnings per share (sen)	0.87	4.01	7.72	14.93

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 30TH APRIL 2018

	As At 30-Apr-18 RM'000	Audited As At 30-Apr-17 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	78,480	71,520
Prepaid lease payments	2,036	2,345
Intangible asset	1,413	1,344
Other investment	47	47
Deferred tax assets	310	491
	<u>82,286</u>	<u>75,747</u>
Current assets		
Inventories	21,506	19,796
Trade receivables	15,163	12,991
Other receivables, prepayments and other assets	6,503	3,155
Deposit with licensed bank	14,079	18,094
Bank & cash balances	6,218	14,299
	<u>63,469</u>	<u>68,335</u>
TOTAL ASSETS	145,755	144,082
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(339)	(339)
Currency translation reserve	(454)	(18)
Revaluation reserves	24,528	21,020
Retained profits	52,844	45,893
Total Equity	118,012	107,989
Non-current liabilities		
Loan and borrowings	6,531	6,547
Deferred tax liability	5,674	5,033
	<u>12,205</u>	<u>11,580</u>
Current liabilities		
Loan and borrowings	4,048	3,820
Trade payables	5,790	6,349
Other payables and accruals	5,699	8,302
Dividend payable	-	4,764
Tax payable	1	1,278
	<u>15,538</u>	<u>24,513</u>
TOTAL EQUITY AND LIABILITIES	145,755	144,082
Net assets per ordinary share attributable to Owners of Company (sen)	<u>74.31</u>	<u>68.01</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 2017 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL PERIOD ENDED 30TH APRIL 2018

	Attributable to Owners of the Parent				Distributable		Total Equity RM'000
	Non-Distributable				Retained		
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Profit RM'000	
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)
Balance as at 30 April 2017	<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>
Balance as at 1 May 2017	40,000	1,433	(339)	(18)	21,020	45,893	107,989
Profit for the period	-	-	-	-	-	12,266	12,266
Other comprehensive income/(loss)	-	-	-	(436)	3,751	-	3,315
Total comprehensive income/(loss)	-	-	-	(436)	3,751	12,266	15,581
Realisation of revaluation surplus	-	-	-	-	(243)	243	-
Distribution of dividend	-	-	-	-	-	(5,558)	(5,558)
Balance as at 30 April 2018	<u>40,000</u>	<u>1,433</u>	<u>(339)</u>	<u>(454)</u>	<u>24,528</u>	<u>52,844</u>	<u>118,012</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 30th April 2018**

	Current Year Ended 30-Apr-18 RM'000	Preceding Year Ended 30-Apr-17 RM'000
Cash flows from operating activities		
Profit before tax	15,863	30,223
Adjustment for :		
Non-cash items	4,324	2,993
Non-operating items	(245)	(635)
	<hr/>	<hr/>
Operating profit before working capital changes	19,942	32,581
Changes in working capital		
Inventories	(1,676)	(11,142)
Trade and other receivables	(3,618)	(3,827)
Trade and other payables	(3,063)	5,654
	<hr/>	<hr/>
Cash generated from / (used) in operations	11,585	23,266
Interest paid	(407)	(156)
Interest received	652	791
Tax paid	(6,505)	(5,310)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<hr/> 5,325 <hr/>	<hr/> 18,591 <hr/>
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(1,504)	7,902
Proceeds from disposal of property, plant & equipment	49	430
Purchase of property, plant & equipment and development expenditure	(6,629)	(15,015)
Prepaid lease payments for land	-	(2,345)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<hr/> (8,084) <hr/>	<hr/> (9,028) <hr/>
Cash flows from financing activities		
Purchase of treasury shares	-	-
Proceed from finance leases	-	300
Proceed from term loan	657	9,881
Net movement in trade bills & multi currency trade loan	752	2,363
Repayment of term loan	(643)	(4,550)
Repayment of finance leases	(276)	(496)
Dividend paid	(10,322)	(7,146)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<hr/> (9,832) <hr/>	<hr/> 352 <hr/>
Net increase in cash and cash equivalents	(12,591)	9,915
Currency Translation Differences	(1,010)	(18)
Cash and cash equivalents as at beginning of financial year	31,649	21,752
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<hr/> 18,048 <hr/>	<hr/> 31,649 <hr/>
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	18,048	31,649
	<hr/>	<hr/>
	<hr/> 18,048 <hr/>	<hr/> 31,649 <hr/>

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30TH APRIL 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 30-Apr-18 RM'000	Preceding Year Ended 30-Apr-17 RM'000
Cash and bank balances	6,218	14,299
Deposit with licensed banks	14,079	18,094
	<u>20,297</u>	<u>32,393</u>
Deposit with maturity more than 3 months	(2,249)	(744)
Cash and cash equivalents	<u><u>18,048</u></u>	<u><u>31,649</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 20 March 2018, 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 was paid on 27 April 2018 to shareholders whose name appeared on the company's Record of Depositors on 6 April 2018.

A9. SEGMENTAL INFORMATION
Business 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-18	Preceding Year Corresponding Quarter 30-Apr-17	Current Year To Date 30-Apr-18	Preceding Year To Date 30-Apr-17
Revenue				
- Manufacturing	22,216	28,428	95,051	96,268
- Trading	3,141	4,118	14,334	10,001
	<u>25,357</u>	<u>32,546</u>	<u>109,385</u>	<u>106,269</u>
Profit before tax				
- Manufacturing	1,454	7,851	15,891	30,331
- Trading	158	208	806	437
	<u>1,612</u>	<u>8,059</u>	<u>16,697</u>	<u>30,768</u>
Less : Unallocated corporate cost	(190)	(174)	(834)	(545)
	<u>1,422</u>	<u>7,885</u>	<u>15,863</u>	<u>30,223</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The group has adopted revaluation model for lands and buildings during the last quarter ended 30 April 2018.

Lands and buildings are reported at valuation, which is based on valuation performed by independent professional valuer. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the assets.

Surplus and decrease arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve.

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 RM25.4 million decreased by RM7.2 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM1.4 million in the current quarter as compared to RM7.9 million during the same quarter of previous year

The manufacturing division recorded revenue and profit before tax RM22.2 million (FY 2017 : RM28.4 million) and RM1.5 million (FY 2017 : RM7.9 million) respectively.

The revenue for the same quarter of the previous year was higher due to favourable exchange rate and higher demand ahead of planned revision in selling prices. The current quarter's revenue moderated in line with the less favourable exchange rates and normalised demand.

The profit before tax is significantly lower mainly due to decrease in total gross profit contributed as a result of competitive pricing environment, lower sales volume, higher cost of materials coupled with unfavourable exchange rate movement. The company also experienced higher cost in production resulting from installation and commissioning of machinery in the production process.

Revenue for the trading division of RM3.1 million (FY 2017 : RM4.1 million) was lower by RM1 million due to the decreased sales of copper pipes to local customers. The trading division profit before tax in current quarter has decreased to RM0.16 million compared to RM0.21 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter decreased by 6% to RM25.4 million as compared to RM27.1 million in the preceding quarter mainly attributable to lower local insulation sales volume and competitive pricing environment in the current quarter. The drop in the local sales volume was mainly attributed to the fewer workdays resulting from festive holidays, weak local market sentiment prior to the Malaysian General Election and competitive market. The competitive pricing environment, lower local sales volume, coupled with higher cost in production resulting from installation and commissioning of machinery in the production process led to the group registering profit before tax of RM1.4 million in the current quarter as compared to RM5 million in the preceding quarter. Profit after tax of the Group has decreased by RM2.3 million to RM1.4 million as compared to 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 positive results for the financial year ending 30 April 2019. 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 30-Apr-18 RM'000	Current Year To Date 30-Apr-18 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Amortisation of prepaid lease payment	13	55
Depreciation of property, plant and equipment	992	3,909
(Gain)/Loss on foreign exchange - realised	311	1,463
(Gain)/Loss on foreign exchange - unrealised	108	257
Interest expenses	104	407
Interest income	(141)	(652)
Other expenses	78	123
Other income	(31)	(60)
Reversal of impairment on receivables	-	(19)
	=====	=====

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-18 RM'000	Preceding Year Corresponding Quarter 30-Apr-17 RM'000	Current Year To Date 30-Apr-18 RM'000	Preceding Year To Date 30-Apr-17 RM'000
Malaysia Taxation :				
-Current tax expenses	(330)	1,066	3,227	6,208
-Deferred tax expenses / (income)	53	449	57	336
Under / (Over) provision in prior year				
-Current tax expenses	317	-	312	(36)
	=====	=====	=====	=====
	40	1,515	3,596	6,508

The tax expense for the current quarter ended 30 April 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 30 April 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	
	30-Apr-18	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	3,572	-
- Term Loan	393	6,387
Finance leases	83	144
	<u>4,048</u>	<u>6,531</u>

B11. OUSTANDING DERIVATIVES

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

As at 30 April 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 interim single-tier dividend of 0.75 sen per ordinary share (FY 2018 Interim : 1.5 sen) for the financial year ending 30 April 2019. The interim single-tier dividend will be paid on 26 July 2018 to shareholders whose name appeared on the company's Record of Depositors on 9 July 2018.

B14. EARNINGS PER SHARE (“EPS”)

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-18 RM'000	Preceding Year Corresponding Quarter 30-Apr-17 RM'000	Current Year To Date 30-Apr-18 RM'000	Preceding Year To Date 30-Apr-17 RM'000
Profit attributable to owners of the Parent	1,382	6,370	12,266	23,715
Weighted average number of ordinary shares ('000)	158,800	158,800	158,800	158,800
Basic earnings per share (sen)	0.87	4.01	7.72	14.93

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
21st June 2018