

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31<sup>ST</sup> JANUARY 2019**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-19 RM'000	Preceding Year Corresponding Quarter 31-Jan-18 RM'000	Current Year To Date 31-Jan-19 RM'000	Preceding Year To Date 31-Jan-18 RM'000
Revenue	25,526	27,137	78,296	84,028
Cost of sales	(19,082)	(17,518)	(54,459)	(56,547)
<b>Gross profit</b>	<b>6,444</b>	<b>9,619</b>	<b>23,837</b>	<b>27,481</b>
Other income	96	215	1,159	560
Selling & distribution expenses	(1,771)	(1,496)	(5,069)	(5,127)
Administrative expenses	(2,326)	(2,394)	(7,370)	(6,823)
Other operating expenses	(267)	(817)	(434)	(1,346)
Finance costs	(158)	(104)	(432)	(304)
<b>Profit before tax</b>	<b>2,018</b>	<b>5,023</b>	<b>11,691</b>	<b>14,441</b>
Income tax expense	(472)	(1,314)	(3,069)	(3,556)
<b>Profit for the period</b>	<b>1,546</b>	<b>3,709</b>	<b>8,622</b>	<b>10,885</b>
<b>Other comprehensive income / (loss) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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	(406)	(577)	401	(516)
<b>Total comprehensive income for the period</b>	<b>1,140</b>	<b>3,132</b>	<b>9,023</b>	<b>10,369</b>
<b>Profit attributable to :</b>				
Owners of the Company	1,546	3,709	8,622	10,885
Non-Controlling Interest	-	-	-	-
	<b>1,546</b>	<b>3,709</b>	<b>8,622</b>	<b>10,885</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	1,140	3,132	9,023	10,369
Non-Controlling Interest	-	-	-	-
	<b>1,140</b>	<b>3,132</b>	<b>9,023</b>	<b>10,369</b>
<b>Basic earnings per share (sen)</b>	<b>0.97</b>	<b>2.34</b>	<b>5.43</b>	<b>6.85</b>

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2018 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> JANUARY 2019

	As At 31-Jan-19 RM'000	Audited As At 30-Apr-18 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	86,106	78,480
Prepaid lease payment	2,067	2,036
Intangible assets	1,306	1,413
Other investment	47	47
Deferred tax assets	213	310
	89,739	82,286
<b>Current assets</b>		
Inventories	21,840	21,506
Trade receivables	13,855	15,163
Other receivables, deposits and prepayments	5,113	4,814
Current tax assets	1,741	1,689
Deposit with licensed bank	10,003	14,079
Cash and bank balances	9,855	6,218
	62,407	63,469
<b>TOTAL ASSETS</b>	<b>152,146</b>	<b>145,755</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	41,433	40,000
Share premium	-	1,433
Treasury shares	(387)	(339)
Currency translation reserves	(53)	(454)
Revaluation reserves	24,235	24,528
Retained profits	58,742	52,844
<b>Total Equity</b>	<b>123,970</b>	<b>118,012</b>
<b>Non-current liabilities</b>		
Loan and borrowings	8,115	6,531
Deferred tax liabilities	5,553	5,674
	13,668	12,205
<b>Current liabilities</b>		
Loan and borrowings	5,900	4,048
Trade payables	4,025	5,790
Other payables and accruals	4,561	5,699
Current tax liabilities	22	1
	14,508	15,538
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>152,146</b>	<b>145,755</b>
Net assets per ordinary share attributable to Owners of Company (sen)	78.09	74.31

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 2018 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR FINANCIAL PERIOD ENDED 31<sup>ST</sup> JANUARY 2019**

	Attributable to Owners of the Parent					Distributable		Total Equity RM'000
	Non-Distributable					Retained Profit RM'000		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Currency Reserve RM'000	Revaluation Reserve RM'000			
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>	
Balance as at 1 May 2018	40,000	1,433	(339)	(454)	24,528	52,844	118,012	
Profit for the period	-	-	-	-	-	8,622	8,622	
Other comprehensive income/(loss)	-	-	-	401	-	-	401	
Total comprehensive income/(loss)	-	-	-	401	-	8,622	9,023	
Share buy back	-	-	(48)	-	-	-	(48)	
Realisation of revaluation surplus	-	-	-	-	(293)	293	-	
Distribution of dividend	-	-	-	-	-	(3,017)	(3,017)	
	<u>40,000</u>	<u>1,433</u>	<u>(387)</u>	<u>(53)</u>	<u>24,235</u>	<u>58,742</u>	<u>123,970</u>	
Transfer pursuant to S618(2) of CA 2016*	1,433	(1,433)	-	-	-	-	-	
Balance as at 31 January 2019	<u>41,433</u>	<u>-</u>	<u>(387)</u>	<u>(53)</u>	<u>24,235</u>	<u>58,742</u>	<u>123,970</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 2018 and the accompanying notes to the Interim Financial Statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31<sup>ST</sup> JANUARY 2019**

	<b>Current Year Ended 31-Jan-19 RM'000</b>	<b>Preceding Year Ended 31-Jan-18 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	11,691	14,441
Adjustment for :		
Non-cash items	3,500	3,063
Non-operating items	105	(208)
	<hr/>	<hr/>
Operating profit before working capital changes	15,296	17,296
Changes in working capital		
Inventories	(319)	(518)
Trade and other receivables	766	(2,959)
Trade and other payables	(1,372)	(2,767)
	<hr/>	<hr/>
Cash generated from / (used) in operations	14,371	11,052
Interest paid	(432)	(303)
Interest received	327	511
Tax paid	(3,076)	(4,829)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<hr/> <b>11,190</b>	<hr/> <b>6,431</b>
<b>Cash flows from investing activities</b>		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(1,004)	-
Proceeds from disposal of property, plant & equipment	513	22
Purchase of property, plant & equipment and development expenditure	(12,642)	(1,567)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<hr/> <b>(13,133)</b>	<hr/> <b>(1,545)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(48)	-
Proceed from finance leases	600	-
Proceed from term loan	1,950	657
Net movement in trade bills & multi currency trade loan	1,307	(399)
Repayment of term loan	(481)	(469)
Repayment of finance leases	(113)	(226)
Dividend paid	(3,017)	(8,734)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<hr/> <b>198</b>	<hr/> <b>(9,171)</b>
Net increase in cash and cash equivalents	(1,745)	(4,285)
Currency Translation Differences	302	(314)
Cash and cash equivalents as at beginning of financial year	18,048	31,649
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<hr/> <b>16,605</b>	<hr/> <b>27,050</b>
<b>Cash and cash equivalents at end of period comprises :-</b>		
Deposits, Cash & Bank Balances	16,605	27,050
	<hr/>	<hr/>
	<hr/> <b>16,605</b>	<hr/> <b>27,050</b>

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE PERIOD ENDED 31<sup>ST</sup> JANUARY 2019 (cont'd)**

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

	<b>Current Year Ended 31-Jan-19 RM'000</b>	<b>Preceding Year Ended 31-Jan-18 RM'000</b>
Cash and bank balances	9,855	7,808
Deposit with licensed banks	10,003	19,986
	<u>19,858</u>	<u>27,794</u>
Deposit with maturity more than 3 months	(3,253)	(744)
Cash and cash equivalents	<u><u>16,605</u></u>	<u><u>27,050</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 2018 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 2018. 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 2018.

**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 2018 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 2018 :

<b>MFRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective date</b>
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
MFRS 17 : Insurance Contracts	1 January 2021
IC Interpretation 22 : Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 : Uncertainty over Income Tax Treatments	1 January 2019
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
Amendment to MFRS 9 : Prepayment Features with Negative Compensation	1 January 2019
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 119 : Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128 : Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 : Transfer of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
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
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2018 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2018.

**A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS**

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2018 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 2019, the number of treasury shares held in hand amounted to 1,240,158 ordinary shares, at an average buy-back price of RM0.31 per share.

**A8. DIVIDEND PAID**

On 12 December 2018, the Board of Directors has declared and approved the second interim single-tier dividend of 1.15 sen per ordinary share (FY 2018 Second Interim : 1 sen ) for the financial year ending 30 April 2019. The second interim single-tier dividend was paid on 25 January 2019 to shareholders whose name appeared on the company's Record of Depositors on 4 January 2019.

**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>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year To</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>To Date</u>	<u>Date</u>
	<u>31-Jan-19</u>	<u>31-Jan-18</u>	<u>31-Jan-19</u>	<u>31-Jan-18</u>
Revenue				
- Manufacturing	22,232	23,470	67,110	72,835
- Trading	3,294	3,667	11,186	11,193
	<u>25,526</u>	<u>27,137</u>	<u>78,296</u>	<u>84,028</u>
Profit before tax				
- Manufacturing	1,938	5,551	11,752	14,921
- Trading	242	246	413	648
	<u>2,180</u>	<u>5,797</u>	<u>12,165</u>	<u>15,569</u>
Less : Unallocated corporate cost	(162)	(774)	(474)	(1,128)
	<u>2,018</u>	<u>5,023</u>	<u>11,691</u>	<u>14,441</u>

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The valuations of lands and buildings have been brought forward without amendment from the financial year ended 30 April 2018.

**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 RM25.5 million decreased by RM1.6 million as compared to the same quarter of previous year mainly due to lower demand for insulation products.

The Group registered a profit before tax of RM2.0 million in the current quarter as compared to RM5.0 million during the same quarter of previous year.

The manufacturing division recorded revenue and profit before tax RM22.2 million (FY 2018 : RM23.5 million) and RM1.9 million (FY 2018 : RM5.1 million) respectively.

The profit before tax is lower mainly due to a decrease in total gross profit contributed as a result of competitive pricing environment, larger contribution from lower margin insulation products as well as setup and commissioning costs for the new Vietnam factory.

Revenue for the trading division of RM3.3 million (FY 2018 : RM3.7 million) was lower by RM0.4 million due to the decreased sales of copper pipes to local customers. The trading division profit before tax in current quarter has decreased to RM0.24 million compared to RM0.25 million during the same quarter of previous year.

**B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

Revenue for the current quarter decreased by 6% to RM25.5 million as compared to RM27.1 million in the preceding quarter. We registered a decrease in our gross profit to about 25% as compared to 36% in the preceding quarter. The group registered a decrease of 65% in profit before tax to RM2.0 million in the current quarter as compared to RM5.7 million in the preceding quarter mainly due to larger contribution from lower margin insulation products as well as setup and commissioning cost for the new Vietnam factory. In the current quarter, we incurred exchange losses due to less favourable exchange rate environment, whilst the preceding quarter recorded an exchange gain. Correspondingly, our profit after tax for the group decreased by RM2.7 million to RM1.5 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 positive results for the financial year ending 30 April 2019. Construction of Vietnam factory is completed and commissioning of the factory is expected by 30 April 2019.

**B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT**

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

**B5. PROFIT BEFORE TAXATION**

	<b>Current Year Quarter 31-Jan-19 RM'000</b>	<b>Current Year To Date 31-Jan-19 RM'000</b>
Profit before taxation is stated at after charging/(crediting) :		
Amortisation of prepaid lease payment	13	40
Depreciation of property, plant and equipment	1,213	3,368
(Gain)/Loss on foreign exchange - realised	129	(431)
(Gain)/Loss on foreign exchange - unrealised	84	355
Interest expenses	158	432
Interest income	(81)	(327)
Other expenses	54	79
Other income	(15)	(401)

**B6. TAXATION**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31-Jan-19 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Jan-18 RM'000</b>	<b>Current Year To Date 31-Jan-19 RM'000</b>	<b>Preceding Year To Date 31-Jan-18 RM'000</b>
Malaysia Taxation :				
-Current tax expenses	554	1,312	3,145	3,558
-Deferred tax expenses / (income)	(30)	7	(24)	3
Under / (Over) provision in prior year	(52)	(5)	(52)	(5)
-Current tax expenses	-	-	-	-
	<u>472</u>	<u>1,314</u>	<u>3,069</u>	<u>3,556</u>

The tax expense for the current quarter ended 31 January 2019 is derived based on statutory current tax rate of 24% (YA2019) 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 2019.

**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:

	<b>Current Year To Date</b>	
	<b>31-Jan-19</b>	
	<b>Short Term</b>	<b>Long Term</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Secured</u>		
Bank borrowings		
- Trade Facility	5,051	-
- Term Loan	676	7,574
Finance leases	173	541
	<hr/>	<hr/>
	<b>5,900</b>	<b>8,115</b>
	<hr/> <hr/>	<hr/> <hr/>

**B11. OUSTANDING DERIVATIVES**

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

As at 31 January 2019, 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 subsidiaries.

**B13. PROPOSED DIVIDEND**

On even date, the Board of Directors has declared and approved the third interim single-tier dividend of 1.15 sen per ordinary share (FY 2018 Third Interim : 1 sen) for the financial year ending 30 April 2019. The third interim single-tier dividend will be paid on 26 April 2019 to shareholders whose names appeared on the company's Record of Depositors on 5 April 2019.

**B14. EARNINGS PER SHARE (“EPS”)**

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-19 RM'000	Preceding Year Corresponding Quarter 31-Jan-18 RM'000	Current Year To Date 31-Jan-19 RM'000	Preceding Year To Date 31-Jan-18 RM'000
Profit attributable to owners of the Parent	1,546	3,709	8,622	10,885
Weighted average number of ordinary shares ('000)	158,771	158,800	158,771	158,800
Basic earnings per share (sen)	0.97	2.34	5.43	6.85

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**  
**22<sup>nd</sup> March 2019**