

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 30TH APRIL 2019

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-19 RM'000	Preceding Year Corresponding Quarter 30-Apr-18 RM'000	Current Year To Date 30-Apr-19 RM'000	Preceding Year To Date 30-Apr-18 RM'000
Revenue	27,407	25,357	105,703	109,385
Cost of sales	(20,981)	(19,420)	(75,440)	(75,966)
Gross profit	6,426	5,937	30,263	33,419
Other income	266	172	989	731
Selling & distribution expenses	(1,758)	(1,777)	(6,827)	(6,905)
Administrative expenses	(2,113)	(2,309)	(9,483)	(9,133)
Other operating expenses	(294)	(497)	(292)	(1,843)
Finance costs	(161)	(104)	(593)	(407)
Profit before tax	2,366	1,422	14,057	15,862
Income tax expense	(696)	(40)	(3,765)	(3,596)
Profit for the period	1,670	1,382	10,292	12,266
Other comprehensive income / (loss) :	-	-	-	-
<i>Items that will not be reclassified subsequently to income statement:</i>				
Revaluation of property, plant and equipment	-	3,751	-	3,751
<i>Items that may be reclassified subsequently to income statement:</i>				
Foreign currency translation	296	80	696	(436)
Total comprehensive income for the period	1,966	5,213	10,988	15,581
Profit attributable to :				
Owners of the Company	1,670	1,382	10,292	12,266
Non-Controlling Interest	-	-	-	-
	1,670	1,382	10,292	12,266
Total comprehensive income attributable to :				
Owners of the Company	1,966	5,213	10,988	15,581
Non-Controlling Interest	-	-	-	-
	1,966	5,213	10,988	15,581
Basic earnings per share (sen)	1.05	0.87	6.48	7.72

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 30TH APRIL 2019

	As At 30-Apr-19 RM'000	Audited As At 30-Apr-18 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	87,741	78,480
Prepaid lease payment	2,077	2,036
Intangible assets	1,294	1,413
Other investment	47	47
Deferred tax assets	194	310
	<u>91,353</u>	<u>82,286</u>
Current assets		
Inventories	23,220	21,506
Trade receivables	14,284	15,163
Other receivables, deposits and prepayments	3,218	4,814
Current tax assets	2,394	1,689
Short-term investment	6,559	-
Deposit with licensed bank	9,260	14,079
Cash and bank balances	7,160	6,218
	<u>66,095</u>	<u>63,469</u>
TOTAL ASSETS	<u><u>157,448</u></u>	<u><u>145,755</u></u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	40,000
Share premium	-	1,433
Treasury shares	(398)	(339)
Currency translation reserves	242	(454)
Revaluation reserves	24,402	24,528
Retained profits	58,420	52,844
Total Equity	<u>124,099</u>	<u>118,012</u>
Non-current liabilities		
Loan and borrowings	7,952	6,531
Deferred tax liabilities	5,828	5,674
	<u>13,780</u>	<u>12,205</u>
Current liabilities		
Loan and borrowings	7,040	4,048
Trade payables	6,862	5,790
Other payables and accruals	5,667	5,699
Current tax liabilities	-	1
	<u>19,569</u>	<u>15,538</u>
TOTAL EQUITY AND LIABILITIES	<u><u>157,448</u></u>	<u><u>145,755</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u>78.17</u>	<u>74.31</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 2018 and the accompanying notes to the Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL PERIOD ENDED 30TH APRIL 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	-	-	-	-	-	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>	
Balance as at 1 May 2018	40,000	1,433	(339)	(454)	24,528	52,844	118,012	
Profit for the period	-	-	-	-	-	10,292	10,292	
Other comprehensive income/(loss)	-	-	-	696	-	-	696	
Total comprehensive income/(loss)	-	-	-	696	-	10,292	10,988	
Share buy back	-	-	(59)	-	-	-	(59)	
Realisation of revaluation surplus	-	-	-	-	(126)	126	-	
Distribution of dividend	-	-	-	-	-	(4,842)	(4,842)	
	<u>40,000</u>	<u>1,433</u>	<u>(398)</u>	<u>242</u>	<u>24,402</u>	<u>58,420</u>	<u>124,099</u>	
Transfer pursuant to S618(2) of CA 2016*	1,433	(1,433)	-	-	-	-	-	
Balance as at 30 April 2019	<u>41,433</u>	<u>-</u>	<u>(398)</u>	<u>242</u>	<u>24,402</u>	<u>58,420</u>	<u>124,099</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 30TH APRIL 2019

	Current Year Ended 30-Apr-19 RM'000	Preceding Year Ended 30-Apr-18 RM'000
Cash flows from operating activities		
Profit before tax	14,057	15,863
Adjustment for :		
Non-cash items	3,760	4,327
Non-operating items	171	(245)
	<hr/>	<hr/>
Operating profit before working capital changes	17,988	19,945
Changes in working capital		
Inventories	(1,694)	(1,676)
Trade and other receivables	2,621	(3,603)
Trade and other payables	1,654	(3,406)
	<hr/>	<hr/>
Cash generated from / (used) in operations	20,569	11,260
Interest paid	-	(1)
Interest received	422	652
Tax paid	(4,200)	(6,506)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<u>16,791</u>	<u>5,405</u>
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(4)	(1,504)
Proceeds from disposal of property, plant & equipment	513	49
Purchase of property, plant & equipment and development expenditure	(13,064)	(6,423)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<u>(12,555)</u>	<u>(7,878)</u>
Cash flows from financing activities		
Dividend paid	(4,842)	(10,322)
Interest paid	(593)	(406)
Net movement in trade bills & multi currency trade loan	2,339	473
Purchase of treasury shares	(59)	-
Proceed from term loan	1,950	658
Repayment of term loan	(639)	(643)
Repayment of finance leases	(156)	(276)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<u>(2,000)</u>	<u>(10,516)</u>
Net increase in cash and cash equivalents	2,236	(12,989)
Currency Translation Differences	442	(612)
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	<u>20,726</u>	<u>18,048</u>
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	20,726	18,048
	<hr/>	<hr/>
	<u>20,726</u>	<u>18,048</u>

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30TH APRIL 2019 (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-19 RM'000	Preceding Year Ended 30-Apr-18 RM'000
Cash and bank balances	7,160	6,218
Deposit with licensed banks	9,260	14,079
Short-term investment	6,559	-
	<u>22,979</u>	<u>20,297</u>
Deposit with maturity more than 3 months	(2,253)	(2,249)
Cash and cash equivalents	<u><u>20,726</u></u>	<u><u>18,048</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 :

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
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 30 April 2019, the number of treasury shares held in hand amounted to 1,250,158 ordinary shares, at an average buy-back price of RM0.32 per share.

A8. DIVIDEND PAID

On 22 March 2019, 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 was paid on 26 April 2019 to shareholders whose name appeared on the company's Record of Depositors on 5 April 2019.

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-19	Preceding Year Corresponding Quarter 30-Apr-18	Current Year To Date 30-Apr-19	Preceding Year To Date 30-Apr-18
Revenue				
- Manufacturing	22,398	22,216	89,508	95,051
- Trading	5,009	3,141	16,195	14,334
	<u>27,407</u>	<u>25,357</u>	<u>105,703</u>	<u>109,385</u>
Profit before tax				
- Manufacturing	2,478	1,454	14,230	15,891
- Trading	87	158	500	806
	<u>2,565</u>	<u>1,612</u>	<u>14,730</u>	<u>16,697</u>
Less : Unallocated corporate cost	(199)	(190)	(673)	(835)
	<u>2,366</u>	<u>1,422</u>	<u>14,057</u>	<u>15,862</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 RM27.4 million increased by RM2.1 million as compared to the same quarter of previous year mainly due to higher demand for trading products.

The Group registered a profit before tax of RM2.4 million in the current quarter as compared to RM1.4 million during the same quarter of previous year.

The manufacturing division recorded revenue and profit before tax RM22.4 million (FY 2018 : RM22.2 million) and RM2.5 million (FY 2018 : RM1.5 million) respectively.

The Group's gross profit margin was weighted down by competitive pricing environment, lower margin product mix and lower margin contribution from our Vietnam factory as it is was semi-operational during the period. This was partially mitigated by a reversal of overprovision of depreciation on building charge in the previous quarters due to a change in accounting policy. The higher gross profit coupled with the lower exchange loss and administrative cost in the current quarter compared to previous quarter resulted in higher profit before tax.

Revenue for the trading division of RM5.0 million (FY 2018 : RM3.1 million) was higher by RM1.9 million due to the increased sales of copper pipes to local customers. However the trading division profit before tax in current quarter has decreased to RM0.09 million compared to RM0.16 million during the same quarter of previous year due to lower margin.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter increased by 8% to RM27.4 million as compared to RM25.5 million in the preceding quarter. We registered a decrease in our gross profit margin to about 23% as compared to 25% in the preceding quarter. The group registered an increase of 20% in profit before tax to RM2.4 million in the current quarter as compared to RM2.0 million in the preceding quarter mainly due to lower administrative expenses. Correspondingly, our profit after tax for the group increased by RM0.2 million to RM1.7 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 positive results for the financial year ending 30 April 2020. Our Vietnam factory was commissioned in the 4th Quarter of FY2019. The new factory would increase our production capacity, strengthen our distribution network and improve our support to our customers.

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-19 RM'000	Current Year To Date 30-Apr-19 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Amortisation of prepaid lease payment	14	54
Depreciation of property, plant and equipment	386	3,755
(Gain)/Loss on foreign exchange - realised	280	(151)
(Gain)/Loss on foreign exchange - unrealised	(156)	199
Interest expenses	161	593
Interest income	(95)	(422)
Other expenses	14	93
Other income	(15)	(416)
	<u> </u>	<u> </u>

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-19 RM'000	Preceding Year Corresponding Quarter 30-Apr-18 RM'000	Current Year To Date 30-Apr-19 RM'000	Preceding Year To Date 30-Apr-18 RM'000
Malaysia Taxation :				
-Current tax expenses	383	(330)	3,528	3,227
-Deferred tax expenses / (income)	295	53	271	57
Under / (Over) provision in prior year				
-Current tax expenses	18	317	(34)	312
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The tax expense for the current quarter ended 30 April 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 30 April 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:

	Current Year To Date	
	30-Apr-19	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	6,228	-
- Term Loan	637	7,455
Finance leases	175	497
	<hr/>	<hr/>
	7,040	7,952
	<hr/>	<hr/>

B11. OUSTANDING DERIVATIVES

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

As at 30 April 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 interim single-tier dividend of 0.75 sen per ordinary share (FY 2019 Interim : 0.75 sen) for the financial year ending 30 April 2020. The interim single-tier dividend will be paid on 24 July 2019 to shareholders whose names appeared on the company's Record of Depositors on 10 July 2019.

B14. EARNINGS PER SHARE (“EPS”)

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-19 RM'000	Preceeding Year Corresponding Quarter 30-Apr-18 RM'000	Current Year To Date 30-Apr-19 RM'000	Preceeding Year To Date 30-Apr-18 RM'000
Profit attributable to owners of the Parent	1,670	1,382	10,292	12,266
Weighted average number of ordinary shares ('000)	158,770	158,800	158,770	158,800
Basic earnings per share (sen)	1.05	0.87	6.48	7.72

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
25th June 2019