

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 30<sup>TH</sup> APRIL 2020**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-20 RM'000	Preceding Year Corresponding Quarter 30-Apr-19 RM'000 (Restated)	Current Year To Date 30-Apr-20 RM'000	Preceding Year To Date 30-Apr-19 RM'000 (Restated)
Revenue	18,792	27,407	101,619	105,703
Cost of sales	(14,343)	(20,981)	(74,653)	(75,440)
<b>Gross profit</b>	4,449	6,426	26,966	30,263
Other income	421	266	553	989
Selling & distribution expenses	(684)	(1,758)	(5,749)	(6,827)
Administrative expenses	(2,313)	(2,113)	(9,520)	(9,483)
Other operating expenses	(21)	(294)	(220)	(292)
Finance costs	(145)	(161)	(698)	(593)
Net impairment losses on financial assets	(74)	-	(84)	-
<b>Profit before taxation</b>	1,633	2,366	11,248	14,057
Income tax expense	(311)	(696)	(2,625)	(3,765)
<b>Profit for the period</b>	1,322	1,670	8,623	10,292
<b>Other comprehensive income / (loss) :</b>	-	-	-	-
<i>Items that will not be reclassified subsequently to Profit or Loss:</i>				
Revaluation of property, plant and equipment	-	-	-	-
<i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation differences	1,100	296	844	696
<b>Total comprehensive income for the period</b>	2,422	1,966	9,467	10,988
<b>Profit attributable to :</b>				
Owners of the Company	1,322	1,670	8,623	10,292
Non-Controlling Interest	-	-	-	-
	1,322	1,670	8,623	10,292
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	2,422	1,966	9,467	10,988
Non-Controlling Interest	-	-	-	-
	2,422	1,966	9,467	10,988
<b>Basic earnings per share (sen)</b>	0.83	1.05	5.43	6.48

Note:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2019.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
30<sup>TH</sup> APRIL 2020**

	<b>Unaudited As At 30-Apr-20 RM'000</b>	<b>Audited As At 30-Apr-19 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,129	87,741
Prepaid lease payment	-	2,077
Right-of-use Assets	4,370	-
Intangible assets	1,296	1,294
Other investment	47	47
Deferred tax assets	112	194
	<b>94,954</b>	<b>91,353</b>
<b>Current assets</b>		
Inventories	23,340	23,220
Trade receivables	12,902	14,284
Other receivables, deposits and prepayments	3,582	3,218
Current tax assets	1,575	2,394
Short term investment	7,566	6,559
Deposit with licensed bank	9,145	9,260
Cash and bank balances	3,538	7,160
	<b>61,648</b>	<b>66,095</b>
<b>TOTAL ASSETS</b>	<b>156,602</b>	<b>157,448</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	41,433	41,433
Treasury shares	(424)	(398)
Reserves	87,690	83,064
<b>Total Equity</b>	<b>128,699</b>	<b>124,099</b>
<b>Non-current liabilities</b>		
Lease liabilities	971	-
Loans and borrowings	7,104	7,952
Deferred tax liabilities	6,295	5,828
	<b>14,370</b>	<b>13,780</b>
<b>Current liabilities</b>		
Lease liabilities	1,012	-
Loans and borrowings	3,489	7,040
Trade payables	5,155	6,862
Other payables and accruals	3,874	5,667
Current tax liabilities	3	-
	<b>13,533</b>	<b>19,569</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>156,602</b>	<b>157,448</b>
Net assets per ordinary share attributable to Owners of Company (sen)	<b>81.08</b>	<b>78.17</b>

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2019.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR FINANCIAL PERIOD ENDED 30<sup>TH</sup> APRIL 2020**

	Attributable to Owners of the Company						Total Equity RM'000
	Non-Distributable					Distributable	
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Foreign Currency Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	
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)
	40,000	1,433	(398)	242	24,402	58,420	124,099
Transfer pursuant to S618(2) of CA 2016*	1,433	(1,433)	-	-	-	-	-
Balance as at 30 April 2019	41,433	-	(398)	242	24,402	58,420	124,099
Balance as at 1 May 2019	41,433	-	(398)	242	24,402	58,420	124,099
Profit for the period	-	-	-	-	-	8,623	8,623
Other comprehensive income/(loss)	-	-	-	844	-	-	844
Total comprehensive income/(loss)	-	-	-	844	-	8,623	9,467
Share buy back	-	-	(26)	-	-	-	(26)
Realisation of revaluation surplus	-	-	-	-	(126)	126	-
Distribution of dividend	-	-	-	-	-	(4,841)	(4,841)
Balance as at 30 April 2020	41,433	-	(424)	1,086	24,276	62,328	128,699

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 2019.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30<sup>TH</sup> APRIL 2020**

	<b>Current Year Ended 30-Apr-20 RM'000</b>	<b>Preceding Year Ended 30-Apr-19 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	11,248	14,057
Adjustment for :		
Non-cash items	5,306	3,886
Non-operating items	323	171
	<hr/>	<hr/>
Operating profit before working capital changes	16,877	18,114
Changes in working capital		
Inventories	(119)	(1,727)
Trade and other receivables	997	2,517
Trade and other payables	(2,763)	1,546
	<hr/>	<hr/>
Cash generated from / (used) in operations	14,992	20,450
Interest received	375	422
Tax refund	1,724	4
Tax paid	(2,981)	(4,204)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	14,110	16,672
<b>Cash flows from investing activities</b>		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(5)	(5)
Proceeds from disposal of property, plant & equipment	32	513
Purchase of property, plant & equipment and development expenditure	(6,959)	(12,995)
Additional of right-of-use assets	(37)	-
	<hr/>	<hr/>
Net cash from / (used in) investing activities	(6,969)	(12,487)
<b>Cash flows from financing activities</b>		
Dividend paid	(4,841)	(4,842)
Interest paid	(698)	(593)
Net movement in trade bills & multi currency trade loan	(3,470)	2,339
Purchase of treasury shares	(26)	(59)
Proceed from finance leases	-	-
Drawdown of term loans	384	1,951
Repayment of term loans	(664)	(639)
Repayment of hire purchase payables	-	(156)
Repayment of lease liabilities	(1,005)	-
	<hr/>	<hr/>
Net cash from / (used in) financing activities	(10,320)	(1,999)
Net increase / (decrease) in cash and cash equivalents	(3,179)	2,186
Currency Translation Differences	444	492
Cash and cash equivalents as at beginning of financial year	20,726	18,048
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<b>17,991</b>	<b>20,726</b>
<b>Cash and cash equivalents at end of period comprises :-</b>		
Deposits, Cash & Bank Balances	17,991	20,726
	<hr/>	<hr/>
	<b>17,991</b>	<b>20,726</b>
	<hr/> <hr/>	<hr/> <hr/>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30<sup>TH</sup> APRIL 2020 (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 30-Apr-20 RM'000</b>	<b>Preceding Year Ended 30-Apr-19 RM'000</b>
Cash and bank balances	3,538	7,160
Deposit with licensed banks	9,145	9,260
Short-term investment	7,566	6,559
	<u>20,249</u>	<u>22,979</u>
Deposit with maturity more than 3 months	(2,258)	(2,253)
Cash and cash equivalents	<u><u>17,991</u></u>	<u><u>20,726</u></u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2019.

**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 2019. 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 2019.

**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 2019 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 2019 :

<b>MFRSs and IC Interpretations (including the Consequential Amendments)</b>	<b>Effective date</b>
MFRS 16 : Leases	1 January 2019
MFRS 17 : Insurance Contracts	1 January 2021
IC Interpretation 23 : Uncertainty over Income Tax Treatments	1 January 2019
Amendment to MFRS 3 : Definition of a Business	1 January 2020
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
Amendments to MFRS 101 and MFRS 108 : Definition of Material	1 January 2020
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 References to the Conceptual Framework in MFRS Standards	1 January 2020
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 2019 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2019.

**A2. CHANGES IN ACCOUNTING POLICIES (Cont'd)**

**Impact of the initial application of MFRS 16 Leases**

On the date of initial application, the Group applied the modified retrospective approach and did not restate comparative amounts for the period prior to first adoption.

The adoption of MFRS 16 to the opening balance as at 1 May 2019 has the following impact:

	Audited 30 Apr 2019 RM'000	Adjustment RM'000	After MFRS 16 Adoption RM'000
<b><u>NON-CURRENT ASSETS</u></b>			
Right-of-use assets	-	4,839	4,839
Property, plant and equipment	87,741	(1,000)	86,741
Prepaid lease payment	2,077	(2,077)	-
	<u>89,818</u>	<u>1,762</u>	<u>91,580</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Lease liabilities	-	1,594	1,594
Loans and borrowings	7,952	(497)	7,455
	<u>7,952</u>	<u>1,097</u>	<u>9,049</u>
<b><u>CURRENT LIABILITIES</u></b>			
Lease liabilities	-	840	840
Loans and borrowings	7,040	(175)	6,865
	<u>7,040</u>	<u>665</u>	<u>7,705</u>
	<u>14,992</u>	<u>1,762</u>	<u>16,754</u>

**A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS**

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2019 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 2020, the number of treasury shares held in hand amounted to 1,278,158 ordinary shares, at an average buy-back price of RM0.33 per share.

**A8. DIVIDEND PAID**

On 13 March 2020, the Board of Directors has declared and approved the third interim single-tier dividend of 1.15 sen per ordinary share (FY 2019 Third Interim : 1.15 sen) for the financial year ending 30 April 2020. The third interim single-tier dividend was paid on 16 April 2020 to shareholders whose names appeared on the company's Record of Depositors on 30 March 2020.

**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>	
	<b>Current Year Quarter 30-Apr-20</b>	<b>Preceding Year Corresponding Quarter 30-Apr-19</b>	<b>Current Year To Date 30-Apr-20</b>	<b>Preceding Year To Date 30-Apr-19</b>
Revenue				
- Manufacturing	15,405	22,398	85,694	89,508
- Trading	3,387	5,009	15,925	16,195
	<u>18,792</u>	<u>27,407</u>	<u>101,619</u>	<u>105,703</u>
Profit before tax				
- Manufacturing	1,851	2,478	11,471	14,230
- Trading	(46)	87	506	500
	<u>1,805</u>	<u>2,565</u>	<u>11,977</u>	<u>14,730</u>
Less : Unallocated corporate cost	(172)	(199)	(729)	(673)
	<u>1,633</u>	<u>2,366</u>	<u>11,248</u>	<u>14,057</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 RM18.8 million represents a decreased by RM8.6 million as compared to the same quarter of previous year. The decrease is mainly due to reduction in sales from both manufacturing and trading divisions as a result of temporary suspension of our operations in Malaysia of approximately 6 weeks during the period under review (“MCO Period”). The suspension is in compliance with the Movement Control Order (“MCO”) directive from the Malaysia government in response to the COVID-19 outbreak (“MCO Suspension”).

The Group registered a profit before tax of RM1.6 million in the current quarter as compared to RM2.4 million during the same quarter of previous year. The lower profit before tax in the current quarter was mainly due to a decrease in total gross profit contributed as result of the MCO Suspension.

The manufacturing division recorded revenue and profit before tax RM15.4 million (FY 2019 : RM22.4 million) and RM1.9 million (FY 2019 : RM2.5 million) respectively.

Revenue for the trading division of RM3.4 million (FY 2019 : RM5.0 million) was lower by RM1.6 million due to the MCO Suspension. Trading division’s loss before taxation was RM0.05 million in 4Q 2020, compared to profit before taxation of RM0.09 million during the same quarter of previous year.

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

Revenue for the current quarter decreased by 29% to RM18.8 million as compared to RM26.4 million in the preceding quarter. Our gross profit margin decreased to 24% as compared to 28% for the preceding quarter due to lower in sales volume coupled with fixed overheads incurred during the MCO Period. The group registered a decrease of 43% in profit before tax to RM1.6 million in the current quarter as compared to RM2.9 million in the preceding quarter. Correspondingly, our profit after tax for the group decreased by RM0.8 million to RM1.3 million as compared to the preceding quarter.

**B3. COMMENTARY ON PROSPECTS**

The recent outbreak of the COVID-19 pandemic has led to the implementation of social distancing measures in various countries across the world, including Malaysia, and has unfavourably affect the growth of both global as well as Malaysian economies. However, Bank Negara Malaysia expects economic activity to gradually pick up in the second half of 2020, following the lifting of the MCO, support from fiscal, monetary and financial measures and progress in transport-related projects by the public sector. The Malaysian economy is expected to register a positive recovery in 2021, in line with the projected improvement in global growth.

In compliance with the Government’s efforts to contain the outbreak, we have suspended our operation in Malaysia for a total of 6 weeks from 18 March 2020. Our Malaysian operations resumed on 27 April 2020 and has gradually returned to normal operations level. As more and more of our customers are allowed to restart their operations and supply chains resume, we foresee that demand for our products should pick up in tandem in the second half of 2020. However, we expect the operating environment to remain clouded in the near-term as the economic impact of the recent Covid-19 pandemic (including possibility of a second wave) has yet to be fully known.

Nonetheless, the profit potential of our businesses remains intact and we are well positioned to benefit from any recovery in the economy.

**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 30-Apr-20 RM'000</b>	<b>Current Year To Date 30-Apr-20 RM'000</b>
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,073	4,064
Depreciation of right-of-use assets	225	1,128
(Gain)/Loss on foreign exchange - realised	(163)	35
(Gain)/Loss on foreign exchange - unrealised	(168)	(28)
Interest expenses	145	698
Interest income	(62)	(375)
Other expenses	22	185
Other income	(28)	(150)

**B6. TAXATION**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 30-Apr-20 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-Apr-19 RM'000</b>	<b>Current Year To Date 30-Apr-20 RM'000</b>	<b>Preceding Year To Date 30-Apr-19 RM'000</b>
Malaysia Taxation :				
-Current tax expenses	60	383	2,049	3,528
-Deferred tax expenses / (income)	251	295	546	271
Under / (Over) provision in prior year				
-Current tax expenses	-	18	30	(34)
	<u>311</u>	<u>696</u>	<u>2,625</u>	<u>3,765</u>

The tax expense for the current quarter ended 30 April 2020 is derived based on statutory current tax rate of 24% (YA2020) 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 2020.

**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>30-Apr-20</b>	
	<b>Short Term</b>	<b>Long Term</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Secured</u>		
Bank borrowings		
- Trade Facility	2,782	-
- Term Loan	707	7,104
	3,489	7,104
	3,489	7,104

**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 subsidiaries.

**B12. PROPOSED DIVIDEND**

There is no dividend proposed or declared during the current quarter under review.

**B13. EARNINGS PER SHARE (“EPS”)**

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-20 RM'000	Preceding Year Corresponding Quarter 30-Apr-19 RM'000	Current Year To Date 30-Apr-20 RM'000	Preceding Year To Date 30-Apr-19 RM'000
Profit attributable to owners of the Parent	1,322	1,670	8,623	10,292
Weighted average number of ordinary shares ('000)	158,734	158,770	158,734	158,770
Basic earnings per share (sen)	0.83	1.05	5.43	6.48

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**  
**29<sup>th</sup> June 2020**