

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31<sup>ST</sup> JANUARY 2021**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-21 RM'000	Preceding Year Corresponding Quarter 31-Jan-20 RM'000 (Restated)	Current Year To Date 31-Jan-21 RM'000	Preceding Year To Date 31-Jan-20 RM'000 (Restated)
Revenue	22,857	26,441	72,894	82,828
Cost of sales	(15,916)	(18,993)	(50,576)	(60,310)
<b>Gross profit</b>	6,941	7,448	22,318	22,518
Other income	132	155	417	435
Selling & distribution expenses	(852)	(1,612)	(3,104)	(5,065)
Administrative expenses	(2,474)	(2,480)	(7,239)	(7,207)
Other operating expenses	(429)	(434)	(889)	(502)
Finance costs	(92)	(206)	(291)	(554)
Net impairment gain / (losses) on financial assets	2	-	74	(10)
<b>Profit before taxation</b>	3,228	2,871	11,286	9,615
Income tax expense	288	(717)	(1,270)	(2,314)
<b>Profit for the period</b>	3,516	2,154	10,016	7,301
<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	(536)	(410)	(1,426)	(256)
<b>Total comprehensive income for the period</b>	2,980	1,744	8,590	7,045
<b>Profit attributable to :</b>				
Owners of the Company	3,516	2,154	10,016	7,301
Non-Controlling Interest	-	-	-	-
	3,516	2,154	10,016	7,301
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	2,980	1,744	8,590	7,045
Non-Controlling Interest	-	-	-	-
	2,980	1,744	8,590	7,045
<b>Basic earnings per share (sen)</b>	2.22	1.36	6.31	4.60

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 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31<sup>ST</sup> JANUARY 2021**

	Unaudited As At 31-Jan-21 RM'000	Audited As At 30-Apr-20 RM'000
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	86,043	89,129
Right-of-use Assets	4,351	4,370
Intangible assets	1,296	1,296
Other investment	47	47
Deferred tax assets	84	112
	91,821	94,954
<b>Current assets</b>		
Inventories	23,673	23,340
Trade receivables	13,224	12,902
Other receivables, deposits and prepayments	3,662	3,582
Current tax assets	3,127	1,575
Short term investment	6,166	7,566
Deposit with licensed bank	9,353	9,145
Cash and bank balances	10,619	3,538
	69,824	61,648
<b>TOTAL ASSETS</b>	161,645	156,602
<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)	(424)
Reserves	93,264	87,690
<b>Total Equity</b>	134,273	128,699
<b>Non-current liabilities</b>		
Lease liabilities	1,079	971
Loans and borrowings	6,524	7,104
Deferred tax liabilities	6,306	6,295
	13,909	14,370
<b>Current liabilities</b>		
Lease liabilities	981	1,012
Loans and borrowings	2,423	3,489
Trade payables	5,694	5,155
Other payables and accruals	4,280	3,874
Current tax liabilities	85	3
	13,463	13,533
<b>TOTAL EQUITY AND LIABILITIES</b>	161,645	156,602
Net assets per ordinary share attributable to Owners of Company (sen)	84.60	81.08

**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 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR FINANCIAL PERIOD ENDED 31<sup>ST</sup> JANUARY 2021**

	Attributable to Owners of the Company					Total Equity RM'000
	Share Capital RM'000	Non-Distributable			Distributable	
		Treasury Shares RM'000	Foreign Currency Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	
Balance as at 1 May 2019	41,433	(398)	242	24,402	58,420	124,099
Profit for the period	-	-	-	-	7,301	7,301
Other comprehensive income/(loss)	-	-	(256)	-	-	(256)
Total comprehensive income/(loss)	-	-	(256)	-	7,301	7,045
Share buy back	-	(26)	-	-	-	(26)
Realisation of revaluation surplus	-	-	-	(95)	95	-
Distribution of dividend	-	-	-	-	(3,016)	(3,016)
Balance as at 31 January 2020	<u>41,433</u>	<u>(424)</u>	<u>(14)</u>	<u>24,307</u>	<u>62,800</u>	<u>128,102</u>
Balance as at 1 May 2020	41,433	(424)	1,086	24,276	62,328	128,699
Profit for the period	-	-	-	-	10,016	10,016
Other comprehensive income/(loss)	-	-	(1,426)	-	-	(1,426)
Total comprehensive income/(loss)	-	-	(1,426)	-	10,016	8,590
Realisation of revaluation surplus	-	-	-	(95)	95	-
Distribution of dividend	-	-	-	-	(3,016)	(3,016)
Balance as at 31 January 2021	<u>41,433</u>	<u>(424)</u>	<u>(340)</u>	<u>24,181</u>	<u>69,423</u>	<u>134,273</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 2020.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 FOR THE PERIOD ENDED 31<sup>ST</sup> JANUARY 2021**

	<b>Current Year Ended 31-Jan-21 RM'000</b>	<b>Preceeding Year Ended 31-Jan-20 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	11,286	9,615
Adjustment for :		
Non-cash items	4,434	4,024
Non-operating items	58	177
	<hr/>	<hr/>
Operating profit before working capital changes	15,778	13,816
Changes in working capital		
Inventories	(359)	(1,437)
Trade and other receivables	(622)	47
Trade and other payables	1,089	(3,698)
	<hr/>	<hr/>
Cash generated from / (used) in operations	15,886	8,728
Interest received	232	313
Tax paid	(2,697)	(2,668)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	13,421	6,373
<b>Cash flows from investing activities</b>		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	-	(5)
Proceeds from disposal of property, plant & equipment	-	32
Purchase of property, plant & equipment and development expenditure	(552)	(5,205)
Additional of right-of-use assets	(16)	
	<hr/>	<hr/>
Net cash from / (used in) investing activities	(568)	(5,178)
<b>Cash flows from financing activities</b>		
Dividend paid	(3,016)	(3,016)
Interest paid	(232)	(554)
Interest paid on lease liabilities	(59)	-
Net movement in trade bills & multi currency trade loan	(1,089)	(2,004)
Purchase of treasury shares	-	(26)
Drawdown of term loans	60	-
Repayment of term loans	(565)	(490)
Repayment of lease liabilities	(817)	(741)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	(5,718)	(6,831)
Net increase / (decrease) in cash and cash equivalents	7,135	(5,636)
Currency Translation Differences	(1,246)	(58)
Cash and cash equivalents as at beginning of financial year	17,991	20,726
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<b>23,880</b>	<b>15,032</b>
<b>Cash and cash equivalents at end of period comprises :-</b>		
Deposits, Cash & Bank Balances	23,880	15,032
	<hr/>	<hr/>
	<b>23,880</b>	<b>15,032</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 31<sup>ST</sup> JANUARY 2021 (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-21 RM'000</b>	<b>Preceding Year Ended 31-Jan-20 RM'000</b>
Cash and bank balances	10,619	9,202
Deposit with licensed banks	9,353	5,652
Short-term investment	6,166	2,436
	<hr/>	<hr/>
	26,138	17,290
Deposit with maturity more than 3 months	(2,258)	(2,258)
Cash and cash equivalents	<hr/> <u>23,880</u>	<hr/> <u>15,032</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 2020.

## 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 2020. 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 2020.

### 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 2020 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 2020 :

<b>MFRSs and/or IC Interpretations (including The Consequential Amendments)</b>	<b>Effective date</b>
MFRS 17 : Insurance Contracts	1 January 2023
Amendments to MFRS 3 : Definition of a Business	1 January 2020
Amendments to MFRS 3 : Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform	1 January 2020
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 16 : COVID-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 101 and MFRS 108 : Definition of Material	1 January 2020
Amendments to MFRS 101 : Classification of Liabilities as Current or Non-Current	1 January 2022
Amendments to MFRS 116 : Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2020 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2020.

### A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2020 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 2021, 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 18 December 2020, the Board of Directors has declared and approved the interim single-tier dividend of 1.15 sen per ordinary share (FY 2020 Second interim : 1.15 sen) for the financial year ending 30 April 2021. The Second interim single-tier dividend was paid on 25 January 2021 to shareholders whose names appeared on the company's Record of Depositors on 06 January 2021.

**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 31-Jan-21</b>	<b>Preceding Year Corresponding Quarter 31-Jan-20</b>	<b>Current Year To Date 31-Jan-21</b>	<b>Preceding Year To Date 31-Jan-20</b>
Revenue				
- Manufacturing	17,521	21,783	57,897	70,290
- Trading	5,336	4,658	14,997	12,538
	<u>22,857</u>	<u>26,441</u>	<u>72,894</u>	<u>82,828</u>
Profit before tax				
- Manufacturing	3,081	2,772	11,123	9,620
- Trading	319	247	683	552
	<u>3,400</u>	<u>3,019</u>	<u>11,806</u>	<u>10,172</u>
Less : Unallocated corporate cost	(172)	(148)	(520)	(557)
	<u>3,228</u>	<u>2,871</u>	<u>11,286</u>	<u>9,615</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****Quarter Review**

The Group registered a total revenue of RM22.9 million for the quarter ended 31st January 2021 (“Current Quarter”), which represents a decrease by RM3.5 million or 13% as compared to the same quarter of the previous year (“3<sup>rd</sup> Quarter FY20”). The decrease was mainly due to reduction in revenue contributed from our manufacturing division.

We recorded a net profit before tax of RM3.2 million at the Group level for the Current Quarter, which represents an increase by RM0.3 million or 10% as compared to the 3<sup>rd</sup> Quarter FY20. The contraction of our top line was mitigated by improved gross profit margin, lower selling and distribution expenses offsetted by higher net exchange loss.

Notwithstanding a lower revenue for the Current Quarter, the Group’s profit after taxation registered at RM3.5 million for the Current Quarter mainly due to lower effective tax rate for our Vietnam subsidiary as well as reversal of over provision of taxation for prior year for a Malaysian subsidiary.

**Segment Review**

The manufacturing division recorded a lower revenue of RM17.5 million for the Current Quarter as compared with RM21.8 million for the 3<sup>rd</sup> Quarter FY20, a decrease of RM4.3 million or 19.6%. The lower revenue from our manufacturing division was mainly due to decrease in both export and local sales. The decrease in export sales was largely attributed to a less favourable exchange rate environment and slowdown in demand in our key markets as well as logistic challenges arising from restrictions imposed by various countries to tackle the COVID-19 situation. Meanwhile, restrictions imposed by the MCO 2.0 from 13th Jan 2021 had affected local sales.

Despite the decrease in revenue, the manufacturing division recorded a higher profit before tax at RM3.1 million representing an increase of RM0.3 million or 10.7%, as compared with RM2.8 million in 3<sup>rd</sup> Quarter FY20. The decrease in sales was mitigated by an improvement in our gross margin mainly as a result of lower cost of material and lower manpower cost in production coupled with lower selling and distribution expenses. The manufacturing division contributed approximately 76.7% of our Group’s total revenue for the Current Quarter.

The trading division recorded a higher revenue of RM5.3 million for the Current Quarter as compared with RM4.7 million for the 3<sup>rd</sup> Quarter FY20, an increase by RM0.6 million or 12.8%. The increase was mainly due to higher sales of copper pipes to local customers. Trading division contributed approximately 23.3% of Group’s total revenue for the Current Quarter.

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

The Group’s revenue for the Current Quarter marginally increased by RM0.3 million or 1.3% to RM22.9 million as compared with RM22.6 million in the preceding quarter. The increase was mainly due to the higher revenue contributed from trading division due to increase in copper sales in this quarter. The lower revenue contributed from the manufacturing division in the current quarter was partly due to decrease in local sales mainly due to the MCO 2.0 restrictions.

The Group’s gross profit margin for the Current Quarter slightly decrease to 30% as compared to preceding quarter at 31%.

The Group’s profit before tax for the Current Quarter was lower by RM0.2 million or 5.9% at RM3.2 million as compared with RM3.4 million in preceding quarter mainly due to lower total gross profit contributed resulting from lower revenue coupled with higher administrative expenses and other operating expenses.

**B3. COMMENTARY ON PROSPECTS**

The 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.

Announcements of successful trials of vaccine for COVID-19 and vaccination rollout plans have provided hope that the global economic activities and growth will gradually resume. Accordingly, the Board is cautiously optimistic of the performance of our Group for the financial year ending 30 April 2021. However, the recent resurgence of COVID-19 cases locally and globally poses a downside risk should the government impose further restrictions or conditions on the country which may affect our company.

**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-21 RM'000</b>	<b>Current Year To Date 31-Jan-21 RM'000</b>
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,095	3,305
Depreciation of right-of-use assets	287	867
(Gain)/Loss on foreign exchange - realised	375	537
(Gain)/Loss on foreign exchange - unrealised	14	309
Interest expenses	74	232
Interest expenses on lease liabilities	18	59
Interest income	(65)	(232)
Other expenses	40	43
Other income	(67)	(185)

**B6. TAXATION**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-21 RM'000	Preceding Year Corresponding Quarter 31-Jan-20 RM'000	Current Year To Date 31-Jan-21 RM'000	Preceding Year To Date 31-Jan-20 RM'000
Malaysia Taxation :				
-Current tax expenses	244	453	1,805	1,989
-Deferred tax expenses / (income)	46	234	43	295
Under / (Over) provision in prior year				
-Current tax expenses	(578)	30	(578)	30
	<u>(288)</u>	<u>717</u>	<u>1,270</u>	<u>2,314</u>

The tax expense for the current quarter ended 31 January 2021 is derived based on statutory current tax rate of 24% (YA2021) 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 2021.

**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-21	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	1,641	-
- Term Loan	782	6,524
	<u>2,423</u>	<u>6,524</u>

**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**

On the even date, the Board of Directors has declared and approved the Third interim single-tier dividend of 1.25 sen per ordinary share (FY 2020 Third interim : 1.15 sen) for the financial year ending 30 April 2021. The Third interim single-tier dividend will be paid on 21 April 2021 to shareholders whose names appeared on the company's Record of Depositors on 05 April 2021.

**B13. EARNINGS PER SHARE ("EPS")**

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-21 RM'000	Preceding Year Corresponding Quarter 31-Jan-20 RM'000	Current Year To Date 31-Jan-21 RM'000	Preceding Year To Date 31-Jan-20 RM'000
Profit attributable to owners of the Parent	3,516	2,154	10,016	7,301
Weighted average number of ordinary shares ('000)	158,722	158,737	158,722	158,737
Basic earnings per share (sen)	2.22	1.36	6.31	4.60

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  
16<sup>th</sup> March 2021