

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4th QUARTER ENDED 30th APRIL 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	30-Apr-22	Quarter	30-Apr-22	30-Apr-21
	RM'000	30-Apr-21	RM'000	RM'000
		(Restated)		(Restated)
Revenue	25,638	27,734	92,054	100,628
Cost of sales	(19,976)	(19,501)	(69,713)	(70,077)
Gross profit	5,662	8,233	22,341	30,551
Other income	511	307	1,336	573
Selling & distribution expenses	(2,298)	(2,149)	(7,226)	(5,253)
Administrative expenses	(2,283)	(2,331)	(8,463)	(9,570)
Other operating expenses	(262)	(33)	(54)	(771)
Finance costs	(105)	(90)	(412)	(381)
Net impairment gain / (losses) on financial assets	(118)	(2)	(118)	72
Profit before taxation	1,107	3,935	7,404	15,221
Income tax expense	(221)	(775)	(1,194)	(2,045)
Profit for the period	886	3,160	6,210	13,176
Other comprehensive income / (loss) :	-	-	-	-
<i>Items that will not be reclassified subsequently to Profit or Loss:</i>				
Revaluation of property, plant and equipment	1,570	-	1,570	-
<i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation differences	906	324	1,614	(1,102)
Total comprehensive income for the period	3,362	3,484	9,394	12,074
Profit attributable to :				
Owners of the Company	886	3,160	6,210	13,176
Non-Controlling Interest	-	-	-	-
	886	3,160	6,210	13,176
Total comprehensive income attributable to :				
Owners of the Company	3,362	3,484	9,394	12,074
Non-Controlling Interest	-	-	-	-
	3,362	3,484	9,394	12,074
Basic earnings per share (sen)	0.56	1.99	3.91	8.30

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30th APRIL 2022**

	Unaudited As At 30-Apr-22 RM'000	Audited As At 30-Apr-21 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	87,576	85,533
Right-of-use Assets	3,561	4,145
Intangible assets	1,334	1,296
Other investment	47	47
Deferred tax assets	117	83
	92,635	91,104
Current assets		
Inventories	32,945	24,886
Trade receivables	14,852	15,590
Other receivables, deposits and prepayments	4,897	5,351
Current tax assets	3,253	3,075
Short term investment	-	6,688
Deposit with licensed bank	15,472	12,023
Cash and bank balances	11,174	7,355
	82,593	74,968
TOTAL ASSETS	175,228	166,072
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(424)	(424)
Reserves	101,783	94,764
Total Equity	142,792	135,773
Non-current liabilities		
Lease liabilities	506	873
Loans and borrowings	6,584	6,322
Deferred tax liabilities	6,989	6,352
	14,079	13,547
Current liabilities		
Lease liabilities	747	980
Loans and borrowings	7,807	4,633
Trade payables	6,312	6,424
Other payables and accruals	3,377	4,604
Current tax liabilities	114	111
	18,357	16,752
TOTAL EQUITY AND LIABILITIES	175,228	166,072
Net assets per ordinary share attributable to Owners of Company (sen)	89.96	85.54

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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL YEAR ENDED 30th APRIL 2022**

	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 2020	41,433	(424)	1,086	24,276	62,328	128,699
Profit for the period	-	-	-	-	13,176	13,176
Other comprehensive income/(loss)	-	-	(1,102)	-	-	(1,102)
Total comprehensive income/(loss)	-	-	(1,102)	-	13,176	12,074
Realisation of revaluation surplus	-	-	-	(126)	126	-
Distribution of dividend	-	-	-	-	(5,000)	(5,000)
Balance as at 30 April 2021	<u>41,433</u>	<u>(424)</u>	<u>(16)</u>	<u>24,150</u>	<u>70,630</u>	<u>135,773</u>
Balance as at 1 May 2021	41,433	(424)	(16)	24,150	70,630	135,773
Profit for the period	-	-	-	-	6,210	6,210
Other comprehensive income/(loss)	-	-	1,614	1,570	-	3,184
Total comprehensive income/(loss)	-	-	1,614	1,570	6,210	9,394
Realisation of revaluation surplus	-	-	-	(126)	126	-
Disposal of a subsidiary	-	-	-	-	6	6
Distribution of dividend	-	-	-	-	(2,381)	(2,381)
Balance as at 30 April 2022	<u>41,433</u>	<u>(424)</u>	<u>1,598</u>	<u>25,594</u>	<u>74,591</u>	<u>142,792</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 2021.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30th April 2022**

	Current Year Ended 30-Apr-22 RM'000	Preceeding Year Ended 30-Apr-21 RM'000
Cash flows from operating activities		
Profit before taxation	7,404	15,221
Adjustment for :		
Non-cash items	5,020	5,801
Non-operating items	224	90
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Operating profit before working capital changes	12,648	21,112
Changes in working capital		
Inventories	(8,044)	(1,595)
Trade and other receivables	1,314	(5,040)
Trade and other payables	(1,425)	3,182
	<hr/>	<hr/>
Cash generated from / (used) in operations	4,493	17,659
Interest received	188	291
Tax paid	(1,050)	(3,348)
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Net cash from / (used in) operating activities	3,631	14,602
Cash flows from investing activities		
Disposal of investment in subsidiary	6	-
Net withdrawal/(placement) of fixed deposits with maturity more than three months	597	(5)
Proceeds from disposal of property, plant & equipment	737	70
Product development expenditure	(38)	-
Purchase of property, plant & equipment and development expenditure	(4,488)	(1,894)
Additional of right-of-use assets	(7)	(23)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	(3,193)	(1,852)
Cash flows from financing activities		
Dividend paid	(2,381)	(5,000)
Interest paid	(333)	(303)
Interest paid on lease liabilities	(79)	(78)
Net movement in trade bills & multi currency trade loan	2,941	1,126
Drawdown of term loans	1,026	60
Repayment of term loans	(774)	(760)
Repayment of lease liabilities	(975)	(1,116)
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Net cash from / (used in) financing activities	(575)	(6,071)
Net increase / (decrease) in cash and cash equivalents	(137)	6,679
Currency Translation Differences	1,314	(867)
Cash and cash equivalents as at begining of financial year	23,803	17,991
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Cash and cash equivalents as at end of period	24,980	23,803
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	24,980	23,803
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	24,980	23,803

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30th April 2022 (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-22 RM'000	Preceding Year Ended 30-Apr-21 RM'000
Cash and bank balances	11,174	7,355
Deposit with licensed banks	15,472	12,023
Short-term investment	-	6,688
	<u>26,646</u>	<u>26,066</u>
Deposit with maturity more than 3 months	(1,666)	(2,263)
Cash and cash equivalents	<u>24,980</u>	<u>23,803</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 2021.

Explanatory Notes Pursuant to Financial Reporting Standard 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 2021. 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 2021.

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 2021 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 2021 :

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2020	1 April 2021
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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
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 2021 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2021.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2021 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 127 subsection 4(b) of the Companies Act 2016. As at 30 April 2022, 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 16 March 2022, the Board of Directors has declared and approved the Second interim single-tier dividend of 0.75 sen per ordinary share for the financial year ending 30 April 2022. The Second interim single-tier dividend was paid on 22 April 2022 to shareholders whose names appeared on the company's Record of Depositors on 11 April 2022.

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-22	Preceding Year Corresponding Quarter 30-Apr-21	Current Year To Date 30-Apr-22	Preceding Year To Date 30-Apr-21
Revenue				
- Manufacturing	17,938	19,998	64,818	77,895
- Trading	7,700	7,736	27,236	22,733
	<u>25,638</u>	<u>27,734</u>	<u>92,054</u>	<u>100,628</u>
Profit before tax				
- Manufacturing	1,044	3,521	6,747	14,644
- Trading	232	601	1,317	1,285
	<u>1,276</u>	<u>4,122</u>	<u>8,064</u>	<u>15,929</u>
Less : Unallocated corporate cost	(169)	(187)	(660)	(708)
	<u>1,107</u>	<u>3,935</u>	<u>7,404</u>	<u>15,221</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

During the current quarter under review, the Group's freehold land and factory buildings were revalued by an independent professional valuer. The surplus arising from the revaluations, net of deferred tax, have been credited to other comprehensive income.

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 RM25.6 million for the quarter ended 30th April 2022 (“Current Quarter”), which represents a decrease by RM2.1 million or 8% as compared to the same quarter of the previous year (“4th Quarter FY21”). The decrease was due to lower sales for the manufacturing segments during the period under review.

Accordingly, we recorded a gross profit of RM5.7 million at the Group level for the Current Quarter, representing a decrease of RM2.6 million or 31% as compared to the 4th Quarter FY21. The lower gross profit was also partly attributed to the erosion of our gross profit margin to 22% in the Current Quarter from 30% in 4th Quarter FY21. This was mainly attributed to higher raw material cost and trading sales contributing a larger portion of our revenue mix. Trading sales has a lower gross profit margin compared to insulation sales.

Profit before tax amounted to RM1.1 million at the Group level for the Current Quarter, represents a decrease by RM2.8 million or 72% as compared to the 4th Quarter FY21. The Group registered profit after taxation of RM0.9 million for the Current Quarter representing a decrease of RM2.2 million or 72% as compared to the 4th Quarter FY21.

Segment Review

The manufacturing division recorded lower revenue of RM18.0 million for the Current Quarter as compared with RM20.0 million for the 4th Quarter FY21, a decrease of RM2.1 million or 10.5%. The lower revenue from our manufacturing division was attributed to the decrease in both export & local sales mainly due to weaker demand as a result of the global logistic challenges and the effects of the geopolitical uncertainties in Europe.

In line with lower revenue coupled with higher material cost and selling and distribution expenses, the manufacturing division recorded a lower profit before tax at RM1.0 million representing a decrease of RM2.5 million or 71.4%, as compared with RM3.5 million in 4th Quarter FY21. The manufacturing division contributed approximately 70% of our Group’s total revenue for the Current Quarter.

The trading division registered approximately the same revenue of RM7.7 million for the Current Quarter as compared with 4th Quarter FY21. Trading division contributed approximately 30% of Group’s total revenue for the Current Quarter.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group’s revenue for the Current Quarter increased by RM1.6 million or 6.7% to RM25.6 million as compared with RM24.0 million in the preceding quarter. The increase was due to the higher revenue contributed from both manufacturing and trading division.

However, the Group’s gross profit margin for the Current Quarter decreased to 22% from 24% in the preceding quarter mainly due to higher raw material cost and increased revenue contribution from lower margin markets.

The Group’s profit before tax for the Current Quarter was lower by RM1.2 million or 52.2% at RM1.1 million as compared with RM2.3 million in preceding quarter in line with the decrease in gross profit margin and higher selling & distribution expenses.

B3. COMMENTARY ON PROSPECTS

The operating environment remains challenging with unstable raw material prices, fluctuating exchange rates and disruptions in the global supply chain. In addition, the outbreak of war in Europe coupled with inflationary pressures pose a downside risk to the recovery of the global economy.

The Board is cognisant of the prevailing challenges and is positive on the performance of our Group for the financial year ending 30 April 2023.

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-22 RM'000	Current Year To Date 30-Apr-22 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,114	4,420
Depreciation of right-of-use assets	206	1,083
(Gain)/Loss on foreign exchange - realised	(365)	(196)
(Gain)/Loss on foreign exchange - unrealised	259	(310)
Interest expenses	84	333
Interest expenses on lease liabilities	21	79
Interest income	(40)	(188)
Other expenses	3	54
Other income	(106)	(643)

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	30-Apr-22	30-Apr-21	30-Apr-22	30-Apr-21
	RM'000	RM'000	RM'000	RM'000
Malaysia Taxation :				
-Current tax expenses	160	729	888	2,534
-Deferred tax expenses / (income)	61	46	332	89
Under / (Over) provision in prior year				
-Current tax expenses	-	-	(26)	(578)
	<u>221</u>	<u>775</u>	<u>1,194</u>	<u>2,045</u>

The tax expense for the current quarter ended 30 April 2022 is derived based on statutory current tax rate of 24% (YA2022) for the financial year. 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 2022.

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-22	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	7,028	-
- Term Loan	779	6,584
	<u>7,807</u>	<u>6,584</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

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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	30-Apr-22	30-Apr-21	30-Apr-22	30-Apr-21
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parent	886	3,160	6,210	13,176
Weighted average number of ordinary shares ('000)	158,722	158,722	158,722	158,722
Basic earnings per share (sen)	0.56	1.99	3.91	8.30

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
30th June 2022