

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> QUARTER ENDED 31<sup>ST</sup> JULY 2022**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	31-Jul-22	Quarter	31-Jul-22	31-Jul-21
	RM'000	31-Jul-21	RM'000	RM'000
		(Restated)		(Restated)
Revenue	29,767	19,165	29,767	19,165
Cost of sales	(23,911)	(13,230)	(23,911)	(13,230)
<b>Gross profit</b>	<b>5,856</b>	<b>5,935</b>	<b>5,856</b>	<b>5,935</b>
Other income	310	328	310	328
Selling & distribution expenses	(2,510)	(1,498)	(2,510)	(1,498)
Administrative expenses	(2,094)	(2,038)	(2,094)	(2,038)
Other operating expenses	(145)	-	(145)	-
Finance costs	(130)	(95)	(130)	(95)
(Net impairment loss)/Reversal of impairment on financial assets	59	-	59	-
<b>Profit before taxation</b>	<b>1,346</b>	<b>2,632</b>	<b>1,346</b>	<b>2,632</b>
Income tax expense	(459)	(298)	(459)	(298)
<b>Profit for the period</b>	<b>887</b>	<b>2,334</b>	<b>887</b>	<b>2,334</b>
<b>Other comprehensive income / (loss) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	276	859	276	859
<b>Total comprehensive income for the period</b>	<b>1,163</b>	<b>3,193</b>	<b>1,163</b>	<b>3,193</b>
<b>Profit attributable to :</b>				
Owners of the Company	887	2,334	887	2,334
Non-Controlling Interest	-	-	-	-
	<b>887</b>	<b>2,334</b>	<b>887</b>	<b>2,334</b>
<b>Total comprehensive income attributable to :</b>				
Owners of the Company	1,163	3,193	1,163	3,193
Non-Controlling Interest	-	-	-	-
	<b>1,163</b>	<b>3,193</b>	<b>1,163</b>	<b>3,193</b>
<b>Basic earnings per share (sen)</b>	<b>0.56</b>	<b>1.47</b>	<b>0.56</b>	<b>1.47</b>

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 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31<sup>ST</sup> JULY 2022**

	<b>Unaudited As At 31-Jul-22 RM'000</b>	<b>Audited As At 30-Apr-22 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	86,812	87,576
Right-of-use Assets	3,435	3,561
Intangible assets	1,334	1,334
Other investment	47	47
Deferred tax assets	114	117
	<u>91,742</u>	<u>92,635</u>
<b>Current assets</b>		
Inventories	28,204	32,946
Trade receivables	15,910	14,852
Other receivables, deposits and prepayments	6,271	3,609
Current tax assets	2,802	3,253
Deposit with licensed bank	22,692	15,472
Cash and bank balances	12,955	11,174
	<u>88,834</u>	<u>81,306</u>
<b>TOTAL ASSETS</b>	<u><u>180,576</u></u>	<u><u>173,941</u></u>
<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	102,946	101,783
<b>Total Equity</b>	<u>143,955</u>	<u>142,792</u>
<b>Non-current liabilities</b>		
Lease liabilities	403	778
Loans and borrowings	14,407	6,584
Deferred tax liabilities	6,893	6,989
	<u>21,703</u>	<u>14,351</u>
<b>Current liabilities</b>		
Lease liabilities	729	475
Loans and borrowings	4,635	7,807
Trade payables	5,713	5,025
Other payables and accruals	3,675	3,377
Current tax liabilities	166	114
	<u>14,918</u>	<u>16,798</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>180,576</u></u>	<u><u>173,941</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u><u>90.70</u></u>	<u><u>89.96</u></u>

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 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR FINANCIAL PERIOD ENDED 31<sup>ST</sup> JULY 2022**

	Attributable to Owners of the Company					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable	
			Foreign Currency Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	
Balance as at 1 May 2021	41,433	(424)	(16)	24,150	70,630	135,773
Profit for the period	-	-	-	-	2,334	2,334
Other comprehensive income/(loss)	-	-	859	-	-	859
Total comprehensive income/(loss)	-	-	859	-	2,334	3,193
Deregistered subsidiary	-	-	-	-	5	5
Realisation of revaluation surplus	-	-	-	(32)	32	-
Distribution of dividend	-	-	-	-	(1,190)	(1,190)
Balance as at 31 July 2021	<u>41,433</u>	<u>(424)</u>	<u>843</u>	<u>24,118</u>	<u>71,811</u>	<u>137,781</u>
Balance as at 1 May 2022	41,433	(424)	1,598	25,594	74,591	142,792
Profit for the period	-	-	-	-	887	887
Other comprehensive income/(loss)	-	-	276	-	-	276
Total comprehensive income/(loss)	-	-	276	-	887	1,163
Realisation of revaluation surplus	-	-	-	(36)	36	-
Balance as at 31 July 2022	<u>41,433</u>	<u>(424)</u>	<u>1,874</u>	<u>25,558</u>	<u>75,514</u>	<u>143,955</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 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 31<sup>ST</sup> JULY 2022**

	<b>Current Year Ended 31-Jul-22 RM'000</b>	<b>Preceeding Year Ended 31-Jul-21 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	1,346	2,632
Adjustment for :		
Non-cash items	1,355	1,061
Non-operating items	86	50
	<hr/>	<hr/>
Operating profit before working capital changes	2,787	3,743
Changes in working capital		
Inventories	4,742	(8,790)
Trade and other receivables	(2,476)	5,645
Trade and other payables	(348)	(780)
	<hr/>	<hr/>
Cash generated from / (used) in operations	4,705	(182)
Interest received	44	46
Tax paid	(51)	(411)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	4,698	(547)
<b>Cash flows from investing activities</b>		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(2,050)	-
Product development expenditure	-	(7)
Purchase of property, plant & equipment and development expenditure	(359)	(2,317)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	(2,409)	(2,324)
<b>Cash flows from financing activities</b>		
Dividend paid	-	(1,190)
Interest paid	(112)	(79)
Interest paid on lease liabilities	(18)	(16)
Net movement in trade bills & multi currency trade loan	(2,977)	455
Drawdown of term loans	8,000	384
Repayment of term loans	(187)	(193)
Repayment of lease liabilities	(132)	(267)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	4,574	(906)
Net increase / (decrease) in cash and cash equivalents	6,863	(3,777)
Currency Translation Differences	89	562
Cash and cash equivalents as at begining of financial year	24,980	23,803
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<b>31,932</b>	<b>20,588</b>
<b>Cash and cash equivalents at end of period comprises :-</b>		
Deposits, Cash & Bank Balances	31,932	20,588
	<hr/>	<hr/>
	<b>31,932</b>	<b>20,588</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30<sup>th</sup> April 2022 (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-Jul-22 RM'000</b>	<b>Preceding Year Ended 31-Jul-21 RM'000</b>
Cash and bank balances	12,955	10,357
Deposit with licensed banks	22,692	6,212
Short-term investment	-	6,282
	<hr/>	<hr/>
	35,647	22,851
Deposit with maturity more than 3 months	(3,715)	(2,263)
Cash and cash equivalents	<hr/> <hr/>	<hr/> <hr/>
	31,932	20,588

**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 2022.

**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 2022. 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 2022.

**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 2022 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 2022 :

<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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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

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 2022 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 31 July 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 AND DISTRIBUTED**

There was no dividend paid during the current quarter ended 31 July 2022.

**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>	
	Current Year Quarter 31-Jul-22	Preceding Year Corresponding Quarter 31-Jul-21	Current Year To Date 31-Jul-22	Preceding Year To Date 31-Jul-21
Revenue				
- Manufacturing	21,612	15,277	21,612	15,277
- Trading	8,155	3,888	8,155	3,888
	<u>29,767</u>	<u>19,165</u>	<u>29,767</u>	<u>19,165</u>
Profit before tax				
- Manufacturing	1,481	2,651	1,481	2,651
- Trading	9	114	9	114
	<u>1,490</u>	<u>2,765</u>	<u>1,490</u>	<u>2,765</u>
Less : Unallocated corporate cost	(144)	(133)	(144)	(133)
	<u>1,346</u>	<u>2,632</u>	<u>1,346</u>	<u>2,632</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 2022.

**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 RM29.8 million for the quarter ended 31<sup>st</sup> July 2022 (“Current Quarter”), which represents an increase by RM10.6 million or 55% as compared to the same quarter of the previous year (“1<sup>st</sup> Quarter FY22”). The increase was due to higher sales for both manufacturing and trading segments during the period under review.

On the back of higher revenue, we recorded approximately the same gross profit of RM5.9 million at the Group level for the Current Quarter as compared to the 1<sup>st</sup> Quarter FY22. The lower gross profit 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 RM1.3 million at the Group level for the Current Quarter, represents a decrease by RM1.3 million or 50% as compared to the 1<sup>st</sup> Quarter FY22 mainly due to lower gross margin and higher freight cost. The Group registered profit after taxation of RM0.9 million for the Current Quarter representing a decrease of RM1.4 million or 61% as compared to the 1<sup>st</sup> Quarter FY22.

**Segment Review**

The manufacturing division recorded higher revenue of RM21.6 million for the Current Quarter as compared with RM15.3 million for the 1<sup>st</sup> Quarter FY22, an increase of RM6.3 million or 41.2%. The higher revenue from both manufacturing and trading division was attributed to the increase in both export & local sales mainly due to higher demand and favourable foreign exchange environment.

Despite the higher revenue from manufacturing division, higher material cost and selling and distribution expenses impacted the division’s profitability, which recorded a lower profit before tax at RM1.5 million representing a decrease of RM1.2 million or 44.4%, as compared with RM2.7 million in 1<sup>st</sup> Quarter FY22. The manufacturing division contributed approximately 73% of our Group’s total revenue for the Current Quarter.

The trading division also recorded higher revenue of RM8.2 million for the Current Quarter as compared with RM3.9 million for the 1<sup>st</sup> Quarter FY22. Trading division contributed approximately 27% 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 RM4.2 million or 16.4% to RM29.8 million as compared with RM25.6 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 20% from 22% 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 higher by RM0.2 million or 18.2% at RM1.3 million as compared with RM1.1 million in preceding quarter in line with the increase in gross profit.

**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.

Barring any unforeseen circumstances and considering the aforementioned, the Board is cautiously optimistic 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 31-Jul-22 RM'000	Current Year To Date 31-Jul-22 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,113	1,113
Depreciation of right-of-use assets	160	160
(Gain)/Loss on foreign exchange - realised	(157)	(157)
(Gain)/Loss on foreign exchange - unrealised	144	144
Interest expenses	112	112
Interest expenses on lease liabilities	18	18
Interest income	(44)	(44)
Other expenses	1	1
Other income	(109)	(109)

**B6. TAXATION**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21
	RM'000	RM'000	RM'000	RM'000
Malaysia Taxation :				
-Current tax expenses	555	276	555	276
-Deferred tax expenses / (income)	(96)	22	(96)	22
	<u>459</u>	<u>298</u>	<u>459</u>	<u>298</u>

The tax expense for the current quarter ended 31 July 2022 is derived based on statutory current tax rate of 24% (YA2023) 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 31 July 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	
	31-Jul-22	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	3,867	-
- Term Loan	768	14,407
	<u>4,635</u>	<u>14,407</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 Quarter Corresponding Quarter 31-Jul-22 31-Jul-21 RM'000		Current Year To Date 31-Jul-22 RM'000	Preceding Year To Date 31-Jul-21 RM'000
Profit attributable to owners of the Parent	887	2,334	887	2,334
Weighted average number of ordinary shares ('000)	158,722	158,722	158,722	158,722
Basic earnings per share (sen)	0.56	1.47	0.56	1.47

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**  
**21<sup>st</sup> Sep 2022**