

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31ST JANUARY 2023

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-23 RM'000	Preceding Year Corresponding Quarter 31-Jan-22 RM'000 (Restated)	Current Year To Date 31-Jan-23 RM'000	Preceding Year To Date 31-Jan-22 RM'000 (Restated)
Revenue	25,646	23,989	84,014	66,416
Cost of sales	(20,352)	(18,242)	(67,332)	(49,737)
Gross profit	5,294	5,747	16,682	16,679
Other income	254	768	653	1,254
Selling & distribution expenses	(1,491)	(1,758)	(6,404)	(4,927)
Administrative expenses	(2,213)	(2,041)	(6,519)	(6,181)
Other operating expenses	(743)	(330)	(966)	(221)
Finance costs	(272)	(110)	(658)	(307)
(Net impairment loss)/Reversal of impairment on financial assets	(125)	-	(83)	-
Profit before taxation	704	2,276	2,705	6,297
Income tax expense	(85)	(343)	(1,037)	(972)
Profit for the period	619	1,933	1,668	5,325
Other comprehensive income / (loss) :	-	-	-	-
<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	(2,423)	321	(1,061)	707
Total comprehensive income for the period	(1,804)	2,254	607	6,032
Profit attributable to :				
Owners of the Company	619	1,933	1,668	5,325
Non-Controlling Interest	-	-	-	-
	619	1,933	1,668	5,325
Total comprehensive income attributable to :				
Owners of the Company	(1,804)	2,254	607	6,032
Non-Controlling Interest	-	-	-	-
	(1,804)	2,254	607	6,032
Basic earnings per share (sen)	0.39	1.22	1.05	3.35

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
 31ST JANUARY 2023**

	Unaudited As At 31-Jan-23 RM'000	Audited As At 30-Apr-22 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	85,659	87,576
Right-of-use Assets	3,220	3,561
Intangible assets	1,334	1,334
Other investment	47	47
Deferred tax assets	28	117
	90,288	92,635
Current assets		
Inventories	23,536	32,946
Trade receivables	12,666	14,852
Other receivables, deposits and prepayments	4,085	3,609
Current tax assets	2,304	3,253
Deposit with licensed bank	37,877	15,472
Cash and bank balances	12,866	11,174
	93,334	81,306
TOTAL ASSETS	183,622	173,941
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(424)	(424)
Reserves	101,119	101,783
Total Equity	142,128	142,792
Non-current liabilities		
Lease liabilities	617	778
Loans and borrowings	23,564	6,584
Deferred tax liabilities	6,642	6,989
	30,823	14,351
Current liabilities		
Lease liabilities	444	475
Loans and borrowings	3,419	7,807
Trade payables	4,204	5,025
Other payables and accruals	2,573	3,377
Current tax liabilities	31	114
	10,671	16,798
TOTAL EQUITY AND LIABILITIES	183,622	173,941
Net assets per ordinary share attributable to Owners of Company (sen)	89.55	89.96

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 31ST JANUARY 2023**

	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 2021	41,433	(424)	(16)	24,150	70,630	135,773
Profit for the period	-	-	-	-	5,325	5,325
Other comprehensive income/(loss)	-	-	707	-	-	707
Total comprehensive income/(loss)	-	-	707	-	5,325	6,032
Deregistered subsidiary	-	-	-	-	5	5
Realisation of revaluation surplus	-	-	-	(95)	95	-
Distribution of dividend	-	-	-	-	(1,190)	(1,190)
Balance as at 31 January 2022	<u>41,433</u>	<u>(424)</u>	<u>691</u>	<u>24,055</u>	<u>74,865</u>	<u>140,620</u>
Balance as at 1 May 2022	41,433	(424)	1,598	25,594	74,591	142,792
Profit for the period	-	-	-	-	1,668	1,668
Other comprehensive income/(loss)	-	-	(1,062)	-	-	(1,062)
Total comprehensive income/(loss)	-	-	(1,062)	-	1,668	606
Realisation of revaluation surplus	-	-	-	(106)	106	-
Distribution of dividend	-	-	-	-	(1,270)	(1,270)
Balance as at 31 January 2023	<u>41,433</u>	<u>(424)</u>	<u>536</u>	<u>25,488</u>	<u>75,095</u>	<u>142,128</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 31ST JANUARY 2023**

	Current Year	Preceding
	Ended	Year
	31-Jan-23	Ended
	RM'000	31-Jan-22
		RM'000
Cash flows from operating activities		
Profit before taxation	2,705	6,297
Adjustment for :		
Non-cash items	4,881	3,374
Non-operating items	277	158
	<u>7,863</u>	<u>9,829</u>
Operating profit before working capital changes		
Changes in working capital		
Inventories	9,384	(7,951)
Trade and other receivables	2,377	3,788
Trade and other payables	(2,523)	(3,178)
	<u>17,101</u>	<u>2,488</u>
Cash generated from/ (used) in operations		
Interest received	381	149
Tax paid	(426)	(919)
	<u>17,056</u>	<u>1,718</u>
Net cash from/ (used in) operating activities		
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(16,800)	600
Proceeds from disposal of property, plant & equipment	1	389
Product development expenditure	-	(38)
Purchase of property, plant & equipment and development expenditure	(2,011)	(3,903)
Additional of right-of-use assets	-	1
	<u>(18,810)</u>	<u>(2,951)</u>
Net cash from/ (used in) investing activities		
Cash flows from financing activities		
Dividend paid	(1,270)	(1,190)
Interest paid	(608)	(249)
Interest paid on lease liabilities	(50)	(58)
Net movement in trade bills & multi currency trade loan	(5,844)	1,371
Drawdown of term loans	19,634	384
Repayment of term loans	(922)	(581)
Repayment of lease liabilities	(401)	(796)
	<u>10,539</u>	<u>(1,119)</u>
Net cash from/ (used in) financing activities		
Net increase / (decrease) in cash and cash equivalents	8,785	(2,352)
Currency Translation Differences	(1,488)	587
Cash and cash equivalents as at beginning of financial year	24,980	23,803
	<u>32,277</u>	<u>22,038</u>
Cash and cash equivalents as at end of period		
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	32,277	22,038
	<u>32,277</u>	<u>22,038</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST JANUARY 2023 (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 31-Jan-23 RM'000	Preceding Year Ended 31-Jan-22 RM'000
Cash and bank balances	12,866	10,218
Deposit with licensed banks	37,877	13,483
Short-term investment	-	-
	<hr/>	<hr/>
	50,743	23,701
Deposit with maturity more than 3 months	(18,466)	(1,663)
Cash and cash equivalents	<hr/> <u>32,277</u>	<hr/> <u>22,038</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 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 :

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 January 2023, 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

On 02 December 2022, the Board of Directors has declared and approved the interim single-tier dividend of 0.80 sen per ordinary share for the financial year ending 30 April 2023. The interim single-tier dividend was paid on 16 January 2023 to shareholders whose names appeared on the company's Record of Depositors on 19 December 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>	
	<u>Current Year Quarter 31-Jan-23</u>	<u>Preceding Year Corresponding Quarter 31-Jan-22</u>	<u>Current Year To Date 31-Jan-23</u>	<u>Preceding Year To Date 31-Jan-22</u>
Revenue				
- Manufacturing	17,902	16,528	61,743	46,880
- Trading	7,744	7,461	22,271	19,536
	<u>25,646</u>	<u>23,989</u>	<u>84,014</u>	<u>66,416</u>
Profit before tax				
- Manufacturing	759	2,006	2,875	5,702
- Trading	414	443	634	1,085
	<u>1,173</u>	<u>2,449</u>	<u>3,509</u>	<u>6,787</u>
Less : Unallocated corporate cost	(469)	(173)	(804)	(490)
	<u>704</u>	<u>2,276</u>	<u>2,705</u>	<u>6,297</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 RM25.6 million for the quarter ended 31st January 2023 (“Current Quarter”), which represents an increase by RM1.6 million or 7% as compared to the same quarter of the previous year (“3rd Quarter FY22”). The increase was due to higher sales for manufacturing segments during the period under review.

Despite higher revenue, we recorded lower gross profit of RM5.3 million at the Group level for the Current Quarter as compared to the 3rd Quarter FY22.

Profit before tax amounted to RM0.7 million at the Group level for the Current Quarter, represents a decrease by RM1.6 million or 70% as compared to the 3rd Quarter FY22 mainly due to lower gross margin and higher foreign exchange loss and net impairment loss on financial assets. The Group registered profit after taxation of RM0.6 million for the Current Quarter representing a decrease of RM1.3 million or 68% as compared to the 3rd Quarter FY22.

Segment Review

The manufacturing division recorded higher revenue of RM17.9 million for the Current Quarter as compared with RM16.5 million for the 3rd Quarter FY22, an increase of RM1.4 million or 8.5%. The higher revenue from manufacturing division was attributed to increase in export sales mainly due to higher demand from overseas markets.

Despite the higher revenue from manufacturing division, the gross profit and profit before taxation of the division were affected by higher material cost, foreign exchange loss and net impairment loss on financial asset. Accordingly, the Group recorded a lower profit before tax at RM0.8 million representing a decrease of RM1.2 million or 60%, as compared with RM2.0 million in 3rd Quarter FY22. The manufacturing division contributed approximately 70% of our Group’s total revenue for the Current Quarter.

The trading division recorded higher revenue and profit before tax of RM7.7 million and RM0.4 million for the Current Quarter as compared with RM7.5 million and RM0.4 million for the 3rd Quarter FY22. 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 decreased by RM3.0 million or 11% to RM25.6 million as compared with RM28.6 million in the preceding quarter. The decrease was due to the lower revenue contributed from manufacturing division.

The Group's gross profit margin for the Current Quarter increased to 21% from 19% in the preceding quarter mainly due to increased revenue contribution from higher margin markets.

Consequently, the Group was able to maintain the profit before tax for the Current Quarter at RM0.7 million compared to the preceding quarter mainly due to the lower in selling and distribution expenses compared to preceding quarter.

B3. COMMENTARY ON PROSPECTS

The operating environment remains challenging with unstable raw material prices, fluctuating exchange rates and weaker economic conditions. 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-Jan-23 RM'000	Current Year To Date 31-Jan-23 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,119	3,372
Depreciation of right-of-use assets	159	476
(Gain)/Loss on foreign exchange - realised	445	1
(Gain)/Loss on foreign exchange - unrealised	262	926
Interest expenses	257	608
Interest expenses on lease liabilities	15	50
Interest income	(186)	(381)
Other expenses	35	39
Other income	(68)	(272)

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-23 RM'000	Preceding Year	Current Year To Date 31-Jan-23 RM'000	Preceding Year
		Corresponding Quarter 31-Jan-22 RM'000		To Date 31-Jan-22 RM'000
Malaysia Taxation :				
-Current tax expenses	243	91	1,237	728
-Deferred tax expenses / (income)	(214)	278	(256)	270
Under / (Over) provision in prior year				
-Current tax expenses	56	(26)	56	(26)
	85	343	1,037	972
	85	343	1,037	972

The tax expense for the current quarter ended 31 January 2023 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 January 2023.

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-23	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	907	-
- Term Loan	2,512	23,564
	3,419	23,564
	3,419	23,564

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 31-Jan-23 RM'000	Preceding Year Corresponding Quarter 31-Jan-22 RM'000	Current Year To Date 31-Jan-23 RM'000	Preceding Year To Date 31-Jan-22 RM'000
Profit attributable to owners of the Parent	619	1,933	1,668	5,325
Weighted average number of ordinary shares ('000)	158,722	158,722	158,722	158,722
Basic earnings per share (sen)	0.39	1.22	1.05	3.35

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
16th Mar 2023