

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER ENDED 30TH APRIL 2023

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000	Current Year To Date 30-Apr-23 RM'000	Preceding Year To Date 30-Apr-22 RM'000
Revenue	24,434	25,638	108,448	92,054
Cost of sales	(19,296)	(19,976)	(86,628)	(69,713)
Gross profit	5,138	5,662	21,820	22,341
Other income	1,527	511	1,254	1,336
Selling & distribution expenses	(1,839)	(2,298)	(8,243)	(7,226)
Administrative expenses	(2,167)	(2,283)	(8,686)	(8,463)
Other operating expenses	(397)	(262)	(437)	(54)
Finance costs	(411)	(105)	(1,069)	(412)
(Net impairment loss)/Reversal of impairment on financial assets	(356)	(118)	(439)	(118)
Profit before taxation	1,495	1,107	4,200	7,404
Income tax expense	(887)	(221)	(1,924)	(1,194)
Profit for the period	608	886	2,276	6,210
Other comprehensive income / (loss) :	-	-	-	-
<i>Items that will not be reclassified subsequently to Profit or Loss:</i>				
Revaluation of property, plant and equipment	670	1,570	670	1,570
<i>Items that may be reclassified subsequently to Profit or Loss:</i>				
Foreign currency translation differences	1,353	906	292	1,614
Total comprehensive income for the period	2,631	3,362	3,238	9,394
Profit attributable to :				
Owners of the Company	608	886	2,276	6,210
Non-Controlling Interest	-	-	-	-
	608	886	2,276	6,210
Total comprehensive income attributable to :				
Owners of the Company	2,631	3,362	3,238	9,394
Non-Controlling Interest	-	-	-	-
	2,631	3,362	3,238	9,394
Basic earnings per share (sen)	0.38	0.56	1.43	3.91

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
 30TH APRIL 2023**

	Unaudited As At 30-Apr-23 RM'000	Audited As At 30-Apr-22 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	88,930	87,576
Right-of-use Assets	6,782	3,561
Intangible assets	1,334	1,334
Other investment	47	47
Deferred tax assets	24	117
	97,117	92,635
Current assets		
Inventories	22,918	32,946
Trade receivables	13,700	14,852
Other receivables, deposits and prepayments	3,456	3,609
Current tax assets	1,072	3,253
Deposit with licensed bank	42,831	15,472
Cash and bank balances	10,427	11,174
	94,404	81,306
TOTAL ASSETS	191,521	173,941
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(428)	(424)
Reserves	103,751	101,783
Total Equity	144,756	142,792
Non-current liabilities		
Lease liabilities	4,019	778
Loans and borrowings	23,442	6,584
Deferred tax liabilities	6,287	6,989
	33,748	14,351
Current liabilities		
Lease liabilities	844	475
Loans and borrowings	4,158	7,807
Trade payables	4,434	5,025
Other payables and accruals	3,544	3,377
Current tax liabilities	37	114
	13,017	16,798
TOTAL EQUITY AND LIABILITIES	191,521	173,941
Net assets per ordinary share attributable to Owners of Company (sen)	91.20	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 30TH APRIL 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	-	-	-	-	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
Deregistered subsidiary	-	-	-	-	6	6
Realisation of revaluation surplus	-	-	-	(126)	126	-
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>
Balance as at 1 May 2022	41,433	(424)	1,598	25,594	74,591	142,792
Profit for the period	-	-	-	-	2,276	2,276
Other comprehensive income/(loss)	-	-	292	670	-	962
Total comprehensive income/(loss)	-	-	292	670	2,276	3,238
Share buy back	-	(4)	-	-	-	(4)
Realisation of revaluation surplus	-	-	-	(141)	141	-
Distribution of dividend	-	-	-	-	(1,270)	(1,270)
Balance as at 30 April 2023	<u>41,433</u>	<u>(428)</u>	<u>1,890</u>	<u>26,123</u>	<u>75,738</u>	<u>144,756</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 30TH APRIL 2023**

	Current Year Ended 30-Apr-23 RM'000	Preceding Year Ended 30-Apr-22 RM'000
Cash flows from operating activities		
Profit before taxation	4,200	7,404
Adjustment for :		
Non-cash items	5,549	5,089
Non-operating items	414	283
	<hr/>	<hr/>
Operating profit before working capital changes	10,163	12,776
Changes in working capital		
Inventories	9,905	(8,050)
Trade and other receivables	690	2,602
Trade and other payables	(186)	(2,669)
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Cash generated from / (used) in operations	20,572	4,659
Interest received	655	129
Tax paid	(427)	(1,050)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	20,800	3,738
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(23,750)	597
Proceeds from disposal of property, plant & equipment	1	280
Product development expenditure	-	(38)
Purchase of property, plant & equipment and development expenditure	(2,921)	(4,038)
Additional of right-of-use assets	-	(62)
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Net cash from / (used in) investing activities	(26,670)	(3,261)
Cash flows from financing activities		
Dividend paid	(1,270)	(2,381)
Interest paid	(920)	(354)
Interest paid on lease liabilities	(149)	(58)
Net movement in trade bills & multi currency trade loan	(5,334)	2,941
Purchase of treasury shares	(3)	-
Drawdown of term loans	19,634	1,026
Repayment of term loans	(1,543)	(774)
Repayment of hire purchase payables	(289)	-
Repayment of lease liabilities	(451)	(971)
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Net cash from / (used in) financing activities	9,675	(571)
Net increase / (decrease) in cash and cash equivalents	3,805	(94)
Currency Translation Differences	(943)	1,271
Cash and cash equivalents as at beginning of financial year	24,980	23,803
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Cash and cash equivalents as at end of period	27,842	24,980
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	27,842	24,980
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	27,842	24,980
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30TH APRIL 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 30-Apr-23 RM'000	Preceding Year Ended 30-Apr-22 RM'000
Cash and bank balances	42,831	11,174
Deposit with licensed banks	10,427	15,472
	<u>53,258</u>	<u>26,646</u>
Deposit with maturity more than 3 months	(25,416)	(1,666)
Cash and cash equivalents	<u>27,842</u>	<u>24,980</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.

During the financial quarter ended 30 April 2023, Superlon Holdings Berhad ("SHB") bought back from the open market 5,000 shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.65 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 30 April 2023, including transaction cost, was RM3,246.96 and was financed by internally generated funds.

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 2023, the number of treasury shares held in hand amounted to 1,283,158 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 30 April 2023.

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 30-Apr-23	Preceding Year Corresponding Quarter 30-Apr-22	Current Year To Date 30-Apr-23	Preceding Year To Date 30-Apr-22
Revenue				
- Manufacturing	19,333	17,938	81,076	64,818
- Trading	5,101	7,700	27,372	27,236
	<u>24,434</u>	<u>25,638</u>	<u>108,448</u>	<u>92,054</u>
Profit before tax				
- Manufacturing	1,222	1,044	4,097	6,747
- Trading	54	232	688	1,317
	<u>1,276</u>	<u>1,276</u>	<u>4,785</u>	<u>8,064</u>
Less : Unallocated corporate cost	219	(169)	(585)	(660)
	<u>1,495</u>	<u>1,107</u>	<u>4,200</u>	<u>7,404</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. Certain property previously at carrying amount were revalued by an independent professional valuer and 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 save for the addition of, a wholly owned subsidiary company, ACR PRO Pty Ltd. On 21st April 2023, Superlon Holdings Berhad acquired the entire share capital of ACR PRO Pty Ltd comprising 10 shares for cash of AUD 10.

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 RM24.4 million for the quarter ended 30th April 2023 (“Current Quarter”), which represents a decrease by RM1.2 million or 5% as compared to the same quarter of the previous year (“4th Quarter FY22”). The decrease was due to lower sales for trading segments during the period under review.

On the back of lower revenue, we recorded lower gross profit of RM5.1 million at the Group level for the Current Quarter as compared to the 4th Quarter FY22.

Profit before tax amounted to RM1.5 million at the Group level for the Current Quarter, representing an increase by RM0.4 million or 36% as compared to the 4th Quarter FY22 mainly due to higher foreign exchange gain and lower selling & distribution expenses. However, the Group registered a reduction of RM0.3 million or 33% in the profit after taxation to RM0.6 million for the Current Quarter as compared to the 4th Quarter FY22 due to higher effective group taxation.

Segment Review

The manufacturing division recorded higher revenue of RM19.3 million for the Current Quarter as compared with RM17.9 million for the 4th Quarter FY22, an increase of RM1.4 million or 7.8%. The higher revenue from manufacturing division was attributed to increase in both export & local sales mainly due to higher demand from markets and favourable exchange environment.

Despite the higher revenue from manufacturing division, the gross profit was lower by RM0.3 million mainly due to higher sales from lower margin customers compared to the 4th Quarter FY22. Accordingly, the division recorded a higher profit before tax at RM1.2 million representing an increase of RM0.2 million or 20%, as compared with RM1.0 million in 4th Quarter FY22 mainly due to lower selling & distribution expenses after offsetting with higher finance cost and net impairment loss on financial assets. The manufacturing division contributed approximately 79% of our Group’s total revenue for the Current Quarter.

The trading division recorded lower revenue and profit before tax of RM5.1 million and RM0.1 million for the Current Quarter as compared with RM7.7 million and RM0.2 million for the 4th Quarter FY22. Trading division contributed approximately 21% 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 RM1.2 million or 4.7% to RM24.4 million as compared with RM25.6 million in the preceding quarter. The decrease was due to the lower revenue contributed from trading division.

The Group's gross profit margin for the Current Quarter maintained at 21% compared to the preceding quarter mainly due to stabilising material costs in the current quarter and preceding quarter.

Consequently, the Group recorded higher profit before tax for the Current Quarter at RM1.5 million compared to the preceding quarter mainly due to the lower selling and distribution expenses and foreign exchange gain compared to preceding quarter.

B3. COMMENTARY ON PROSPECTS

Even though the raw material cost have stabilised and logistic cost have improve in last two quarters, the operating environment remains challenging with fluctuating exchange rates and economic headwind conditions. In addition, the prolonged 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 2024.

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-23 RM'000	Current Year To Date 30-Apr-23 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,037	4,409
Depreciation of right-of-use assets	425	902
(Gain)/Loss on foreign exchange - realised	351	352
(Gain)/Loss on foreign exchange - unrealised	(1,066)	(139)
Interest expenses	312	920
Interest expenses on lease liabilities	99	149
Interest income	(274)	(655)
Other expenses	46	85
Other income	(187)	(459)

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000	Current Year To Date 30-Apr-23 RM'000	Preceding Year To Date 30-Apr-22 RM'000
Malaysia Taxation :				
-Current tax expenses	1,326	160	2,563	888
-Deferred tax expenses / (income)	(353)	61	(609)	332
Under / (Over) provision in prior year				
-Current tax expenses	(86)	-	(30)	(26)
	887	221	1,924	1,194

The tax expense for the current quarter ended 30 April 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 30 April 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 30-Apr-23	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	1,448	-
- Term Loan	2,528	22,926
Finance leases	182	516
	4,158	23,442

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 even date, the Board of Directors has declared and approved the interim single-tier dividend of 0.75 sen per ordinary share (FY 2023 interim : 0.80 sen) for the financial year ending 30 April 2024. The interim single-tier dividend will be paid on 15 September 2023 to shareholders whose names appeared on the company's Record of Depositors on 21 August 2023.

B13. EARNINGS PER SHARE ("EPS")

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Apr-23 RM'000	Preceding Year Corresponding Quarter 30-Apr-22 RM'000	Current Year To Date 30-Apr-23 RM'000	Preceding Year To Date 30-Apr-22 RM'000
Profit attributable to owners of the Parent	608	1,933	2,276	5,325
Weighted average number of ordinary shares ('000)	158,721	158,722	158,721	158,722
Basic earnings per share (sen)	0.38	1.22	1.43	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
30th June 2023