

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 2ND QUARTER ENDED 31ST OCTOBER 2023

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Oct-23 RM'000	Preceding Year Corresponding Quarter 31-Oct-22 RM'000	Current Year To Date 31-Oct-23 RM'000	Preceding Year To Date 31-Oct-22 RM'000
Revenue	28,974	28,602	56,834	58,368
Cost of sales	(20,472)	(23,070)	(41,385)	(46,980)
Gross profit	8,502	5,532	15,449	11,388
Other income	948	534	1,577	844
Selling & distribution expenses	(1,771)	(2,403)	(3,703)	(4,913)
Administrative expenses	(2,739)	(2,212)	(5,164)	(4,306)
Other operating expenses	(152)	(523)	(182)	(668)
Finance costs	(439)	(256)	(838)	(386)
(Net impairment loss)/Reversal of impairment on financial assets	239	(16)	31	42
Profit before taxation	4,588	656	7,170	2,001
Income tax expense	(894)	(494)	(1,150)	(952)
Profit for the period	3,694	162	6,020	1,049
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	1,438	1,086	1,308	1,362
Total comprehensive income for the period	5,132	1,248	7,328	2,411
Profit attributable to :				
Owners of the Company	3,694	162	6,020	1,049
Non-Controlling Interest	-	-	-	-
	3,694	162	6,020	1,049
Total comprehensive income attributable to :				
Owners of the Company	5,132	1,248	7,328	2,411
Non-Controlling Interest	-	-	-	-
	5,132	1,248	7,328	2,411
Basic earnings per share (sen)	2.33	0.10	3.79	0.66

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 2023.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31ST OCTOBER 2023**

	Unaudited As At 31-Oct-23 RM'000	Audited As At 30-Apr-23 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	90,719	88,930
Right-of-use Assets	6,438	6,782
Intangible assets	1,224	1,334
Other investment	47	47
Deferred tax assets	83	24
	<u>98,511</u>	<u>97,117</u>
Current assets		
Inventories	24,370	22,918
Trade receivables	12,084	13,700
Other receivables, deposits and prepayments	4,959	3,456
Current tax assets	966	1,072
Short term investment	7,626	-
Deposit with licensed bank	42,383	42,831
Cash and bank balances	9,950	10,427
	<u>102,338</u>	<u>94,404</u>
TOTAL ASSETS	<u><u>200,849</u></u>	<u><u>191,521</u></u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(428)	(428)
Reserves	109,889	103,751
Total Equity	<u>150,894</u>	<u>144,756</u>
Non-current liabilities		
Lease liabilities	3,760	4,019
Loans and borrowings	22,562	23,398
Deferred tax liabilities	5,935	6,287
	<u>32,257</u>	<u>33,704</u>
Current liabilities		
Lease liabilities	841	844
Loans and borrowings	5,494	4,202
Trade payables	4,873	4,434
Other payables and accruals	4,884	3,544
Current tax liabilities	1,606	37
	<u>17,698</u>	<u>13,061</u>
TOTAL EQUITY AND LIABILITIES	<u><u>200,849</u></u>	<u><u>191,521</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u>95.07</u>	<u>91.20</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 2023.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR FINANCIAL PERIOD ENDED 31ST OCTOBER 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 2022	41,433	(424)	1,598	25,594	74,591	142,792
Profit for the period	-	-	-	-	1,049	1,049
Other comprehensive income/(loss)	-	-	1,362	-	-	1,362
Total comprehensive income/(loss)	-	-	1,362	-	1,049	2,411
Realisation of revaluation surplus	-	-	-	(71)	71	-
Balance as at 31 October 2022	41,433	(424)	2,960	25,523	75,711	145,203
Balance as at 1 May 2023	41,433	(428)	1,890	26,123	75,738	144,756
Profit for the period	-	-	-	-	6,020	6,020
Other comprehensive income/(loss)	-	-	1,308	-	-	1,308
Total comprehensive income/(loss)	-	-	1,308	-	6,020	7,328
Realisation of revaluation surplus	-	-	-	(76)	76	-
Distribution of dividend	-	-	-	-	(1,190)	(1,190)
Balance as at 31 October 2023	41,433	(428)	3,198	26,047	80,644	150,894

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 2023.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED 31ST OCTOBER 2023**

	Current Year Ended 31-Oct-23 RM'000	Preceding Year Ended 31-Oct-22 RM'000
Cash flows from operating activities		
Profit before taxation	7,170	2,001
Adjustment for :		
Non-cash items	3,012	3,191
Non-operating items	45	190
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Operating profit before working capital changes	10,227	5,382
Changes in working capital		
Inventories	(1,455)	8,414
Trade and other receivables	864	(151)
Trade and other payables	3,927	(1,929)
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Cash generated from / (used) in operations	13,563	11,716
Interest received	793	196
Tax refund	115	-
Tax paid	-	(117)
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Net cash from / (used in) operating activities	14,471	11,795
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(9,788)	(1,550)
Proceeds from disposal of property, plant & equipment	498	-
Purchase of property, plant & equipment and development expenditure	(6,671)	(1,527)
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Net cash from / (used in) investing activities	(15,961)	(3,077)
Cash flows from financing activities		
Dividend paid	(1,190)	-
Interest paid	(708)	(351)
Interest paid on lease liabilities	(130)	(35)
Net movement in trade bills & multi currency trade loan	1,003	(5,879)
Proceed from finance leases	763	-
Drawdown of term loans	-	9,634
Repayment of term loans	(1,220)	(551)
Repayment of hire purchase payables	(144)	-
Repayment of lease liabilities	(459)	(265)
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Net cash from / (used in) financing activities	(2,085)	2,553
Net increase / (decrease) in cash and cash equivalents	(3,575)	11,271
Currency Translation Differences	488	1,518
Cash and cash equivalents as at beginning of financial year	26,677	24,980
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Cash and cash equivalents as at end of period	23,590	37,769
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	23,590	37,769
	<hr/>	<hr/>
	23,590	37,769
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST OCTOBER 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-Oct-23 RM'000	Preceding Year Ended 31-Oct-22 RM'000
Cash and bank balances	9,950	17,080
Deposit with licensed banks	42,383	23,905
Short-term investment	7,626	-
	<u>59,959</u>	<u>40,985</u>
Deposit with maturity more than 3 months	(36,369)	(3,216)
Cash and cash equivalents	<u>23,590</u>	<u>37,769</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 2023.

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 2023. 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 2023.

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 2023 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 2023 :

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 16: Lease Liability in a Sale and Leaseback	1 January 2024
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 2024
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendment to MFRS 101: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
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 112: International Tax Reform – Pillar Two Model Rules	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 2023 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2023.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2023 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 October 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

On 30 June 2023, the Board of Directors has declared and approved the interim single-tier dividend of 0.75 sen per ordinary share for the financial year ending 30 April 2024. The interim single-tier dividend was paid on 15 September 2023 to shareholders whose names appeared on the company's Record of Depositors on 21 August 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 31-Oct-23	Preceding Year Corresponding Quarter 31-Oct-22	Current Year To Date 31-Oct-23	Preceding Year To Date 31-Oct-22
Revenue				
- Manufacturing	23,373	22,230	45,256	43,841
- Trading	5,601	6,372	11,578	14,527
	<u>28,974</u>	<u>28,602</u>	<u>56,834</u>	<u>58,368</u>
Profit before tax				
- Manufacturing	4,256	635	6,325	2,116
- Trading	157	211	673	220
	<u>4,413</u>	<u>846</u>	<u>6,998</u>	<u>2,336</u>
Less : Unallocated corporate cost	175	(190)	172	(335)
	<u>4,588</u>	<u>656</u>	<u>7,170</u>	<u>2,001</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 2023.

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.

For information purpose, on 13 November 2023, a subsidiary of the Company, Superlon Worldwide (India) Private Limited had been deregistered.

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 RM29.0 million for the quarter ended 31st October 2023 (“Current Quarter”), which represents an increase by RM0.4 million or 3.5% as compared to the same quarter of the previous year (“2nd Quarter FY23”). The increase was due to higher sales for manufacturing segment during the period under review.

In tandem with the higher revenue, we recorded higher gross profit of RM8.5 million at the Group level for the Current Quarter representing an increase by RM3.0 million or 55% as compared to the 2nd Quarter FY23.

Profit before tax amounted to RM4.6 million at the Group level for the Current Quarter, representing an increase by RM3.9 million or 5.6 times as compared to the 2nd Quarter FY23 mainly due to higher gross profit and other income as well as lower selling and distribution expenses. On the back of the higher profit before tax and lower effective group taxation, the Group registered an increase of RM3.5 million or 17.5 times in the profit after taxation to RM3.7 million for the Current Quarter as compared to the 2nd Quarter FY23.

Segment Review

The manufacturing division recorded higher revenue of RM23.4 million for the Current Quarter as compared with RM22.2 million for the 2nd Quarter FY23, an increase of RM1.2 million or 5.4%. The higher revenue from manufacturing division mainly due to higher demand from both the export and local markets and favourable exchange environment.

Nonetheless, the gross profit from manufacturing division surge to RM8.1 million, an increase of RM2.8 million mainly due to lower cost of material and favourable exchange rate movement. Accordingly, the division recorded a higher profit before tax at RM4.3 million representing an increase of RM3.7 million or 6.2 times, as compared with RM0.6 million in 2nd Quarter FY23 mainly due to higher gross profit and other income as well as lower selling and distribution expenses. The manufacturing division contributed approximately 80.7% of our Group’s total revenue for the Current Quarter.

The trading division recorded lower revenue of RM5.6 million and profit before tax of RM0.2 million for the Current Quarter as compared with RM6.4 million and RM0.2 million for the 2nd Quarter FY23 respectively. Trading division contributed approximately 19.3% of Group’s total revenue for the Current Quarter.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

The Group's revenue for the Current Quarter increased by RM1.1 million or 3.9% to RM29.0 million as compared with RM27.9 million in the preceding quarter. The increase was mainly due to the higher revenue contributed from manufacturing division.

The Group recorded a higher gross profit margin for the Current Quarter of 29% compared with the preceding quarter of 25% mainly due to lower cost of material in the current quarter compared to the preceding quarter.

Consequently, the Group recorded higher profit before tax for the Current Quarter at RM4.6 million compared to the preceding quarter mainly due to the higher gross profit coupled with lower selling and distribution expenses and reversal of impairment on financial assets compared to preceding quarter.

B3. COMMENTARY ON PROSPECTS

The operating environment remains challenging with fluctuating exchange rates and raw material prices. In addition, the continuing war in Europe and geopolitical tensions in the Middle East 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 31-Oct-23 RM'000	Current Year To Date 31-Oct-23 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,365	2,669
Depreciation of right-of-use assets	285	577
(Gain)/Loss on foreign exchange - realised	(60)	(290)
(Gain)/Loss on foreign exchange - unrealised	(179)	(7)
Interest expenses	376	708
Interest expenses on lease liabilities	63	130
Interest income	(398)	(793)
Other expenses	152	182
Other income	(312)	(488)

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	31-Oct-23	31-Oct-22	31-Oct-23	31-Oct-22
	RM'000	RM'000	RM'000	RM'000
Income Tax Expenses :				
-Current tax expenses	781	440	1,560	994
-Deferred tax expenses / (income)	113	54	(117)	(42)
Under / (Over) provision in prior year				
-Current tax expenses	42	-	-	-
-Deferred tax expenses / (income)	(42)	-	(293)	-
	<u>894</u>	<u>494</u>	<u>1,150</u>	<u>952</u>

The tax expense for the current quarter ended 31 October 2023 is derived based on statutory current tax rate of 24% (YA2024) for the financial year.

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 October 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-Oct-23	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	2,504	-
- Term Loan	2,524	21,711
Finance leases	466	851
	<u>5,494</u>	<u>22,562</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 even date, the Board of Directors has declared and approved the 2nd interim single-tier dividend of 0.75 sen per ordinary share (FY 2023 2nd Interim : Nil) for the financial year ending 30 April 2024. The interim single-tier dividend will be paid on 26 January 2024 to shareholders whose names appeared on the company's Record of Depositors on 8 January 2024.

B13. EARNINGS PER SHARE ("EPS")

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Oct-23 RM'000	Preceding Year Corresponding Quarter 31-Oct-22 RM'000	Current Year To Date 31-Oct-23 RM'000	Preceding Year To Date 31-Oct-22 RM'000
Profit attributable to owners of the Parent	3,694	162	6,020	1,049
Weighted average number of ordinary shares ('000)	158,717	158,722	158,717	158,722
Basic earnings per share (sen)	2.33	0.10	3.79	0.66

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
14 December 2023