

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 31ST JANUARY 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-24 RM'000	Preceding Year Corresponding Quarter 31-Jan-23 RM'000	Current Year To Date 31-Jan-24 RM'000	Preceding Year To Date 31-Jan-23 RM'000
Revenue	30,445	25,646	87,279	84,014
Cost of sales	(21,216)	(20,352)	(62,601)	(67,332)
Gross profit	9,229	5,294	24,678	16,682
Other income	813	254	2,384	653
Selling & distribution expenses	(1,642)	(1,491)	(5,346)	(6,404)
Administrative expenses	(2,980)	(2,213)	(8,144)	(6,519)
Other operating expenses	(692)	(743)	(867)	(966)
Finance costs	(418)	(272)	(1,256)	(658)
Reversal of impairment/(Impairment loss) on financial assets	359	(125)	390	(83)
Profit before taxation	4,669	704	11,839	2,705
Income tax expense	(747)	(85)	(1,897)	(1,037)
Profit for the period	3,922	619	9,942	1,668
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	188	(2,423)	1,497	(1,061)
Total comprehensive income for the period	4,110	(1,804)	11,439	607
Profit attributable to :				
Owners of the Company	3,922	619	9,942	1,668
Non-Controlling Interest	-	-	-	-
	3,922	619	9,942	1,668
Total comprehensive income attributable to :				
Owners of the Company	4,110	(1,804)	11,439	607
Non-Controlling Interest	-	-	-	-
	4,110	(1,804)	11,439	607
Basic earnings per share (sen)	2.47	0.39	6.26	1.05

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 JANUARY 2024**

	Unaudited As At 31-Jan-24 RM'000	Audited As At 30-Apr-23 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	90,236	88,930
Right-of-use Assets	6,191	6,782
Intangible assets	1,114	1,334
Other investment	47	47
Deferred tax assets	45	24
	<u>97,633</u>	<u>97,117</u>
Current assets		
Inventories	22,115	22,918
Trade receivables	14,233	13,700
Other receivables, deposits and prepayments	5,876	3,456
Current tax assets	568	1,072
Short term investment	11,724	-
Deposit with licensed bank	39,919	42,831
Cash and bank balances	8,773	10,427
	<u>103,208</u>	<u>94,404</u>
TOTAL ASSETS	200,841	191,521
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(428)	(428)
Reserves	112,809	103,751
Total Equity	153,814	144,756
Non-current liabilities		
Lease liabilities	3,577	4,019
Loans and borrowings	21,795	23,398
Deferred tax liabilities	5,984	6,287
	<u>31,356</u>	<u>33,704</u>
Current liabilities		
Lease liabilities	835	844
Loans and borrowings	6,030	4,202
Trade payables	3,482	4,434
Other payables and accruals	4,276	3,544
Current tax liabilities	1,048	37
	<u>15,671</u>	<u>13,061</u>
TOTAL EQUITY AND LIABILITIES	200,841	191,521
Net assets per ordinary share attributable to Owners of Company (sen)	<u>96.91</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 JANUARY 2024**

	<u>Attributable to Owners of the Company</u>					Total Equity
	Share Capital	<u>Non-Distributable</u>			<u>Distributable</u>	
		Treasury Shares	Foreign Currency Reserve	Revaluation Reserve	Retained Profit	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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>
Balance as at 1 May 2023	41,433	(428)	1,890	26,123	75,738	144,756
Profit for the period	-	-	-	-	9,942	9,942
Other comprehensive income/(loss)	-	-	1,497	-	-	1,497
Total comprehensive income/(loss)	-	-	1,497	-	9,942	11,439
Realisation of revaluation surplus	-	-	-	(121)	121	-
Distribution of dividend	-	-	-	-	(2,381)	(2,381)
Balance as at 31 January 2024	<u>41,433</u>	<u>(428)</u>	<u>3,387</u>	<u>26,002</u>	<u>83,420</u>	<u>153,814</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 2023.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST JANUARY 2024**

	Current Year Ended 31-Jan-24 RM'000	Preceding Year Ended 31-Jan-23 RM'000
Cash flows from operating activities		
Profit before taxation	11,839	2,705
Adjustment for :		
Non-cash items	4,950	4,881
Non-operating items	101	277
	<hr/>	<hr/>
Operating profit before working capital changes	16,890	7,863
Changes in working capital		
Inventories	800	9,384
Trade and other receivables	(2,592)	2,377
Trade and other payables	(913)	(2,523)
	<hr/>	<hr/>
Cash generated from / (used) in operations	14,185	17,101
Interest received	1,155	381
Tax refund	-	-
Tax paid	(706)	(426)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	14,634	17,056
	<hr/>	<hr/>
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(9,393)	(16,800)
Proceeds from disposal of property, plant & equipment	522	1
Purchase of property, plant & equipment and development expenditure	(4,457)	(2,011)
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Net cash from / (used in) investing activities	(13,328)	(18,810)
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Cash flows from financing activities		
Dividend paid	(2,381)	(1,270)
Interest paid	(1,065)	(608)
Interest paid on lease liabilities	(191)	(50)
Net movement in trade bills & multi currency trade loan	1,841	(5,844)
Proceed from finance leases	763	-
Drawdown of term loans	-	19,634
Repayment of term loans	(2,261)	(922)
Repayment of hire purchase payables	(208)	-
Repayment of lease liabilities	(683)	(401)
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Net cash from / (used in) financing activities	(4,185)	10,539
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Net increase / (decrease) in cash and cash equivalents	(2,879)	8,785
Currency Translation Differences	644	(1,488)
Cash and cash equivalents as at beginning of financial year	26,677	24,980
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	24,442	32,277
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Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	24,442	32,277
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	24,442	32,277
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31ST JANUARY 2024 (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-24 RM'000	Preceding Year Ended 31-Jan-23 RM'000
Cash and bank balances	8,773	12,866
Deposit with licensed banks	39,919	37,877
Short-term investment	11,723	-
	<u>60,415</u>	<u>50,743</u>
Deposit with maturity more than 3 months	(35,973)	(18,466)
Cash and cash equivalents	<u>24,442</u>	<u>32,277</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 January 2024, 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 14 December 2023, the Board of Directors has declared and approved the 2nd interim single-tier dividend of 0.75 sen per ordinary share for the financial year ending 30 April 2024. The 2nd interim single-tier dividend was paid on 26 January 2024 to shareholders whose names appeared on the company's Record of Depositors on 8 January 2024.

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-Jan-24	Preceding Year Corresponding Quarter 31-Jan-23	Current Year To Date 31-Jan-24	Preceding Year To Date 31-Jan-23
Revenue				
- Manufacturing	24,595	17,902	69,852	61,743
- Trading	5,850	7,744	17,427	22,271
	<u>30,445</u>	<u>25,646</u>	<u>87,279</u>	<u>84,014</u>
Profit before tax				
- Manufacturing	5,009	759	11,334	2,875
- Trading	242	414	916	634
	<u>5,251</u>	<u>1,173</u>	<u>12,250</u>	<u>3,509</u>
Less : Unallocated corporate cost	(582)	(469)	(411)	(804)
	<u>4,669</u>	<u>704</u>	<u>11,839</u>	<u>2,705</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.

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 RM30.4 million for the quarter ended 31st January 2024 (“Current Quarter”), which represents an increase by RM4.8 million or 18.8% as compared to the same quarter of the previous year (“3rd Quarter FY23”). The increase was due to higher sales for manufacturing segment during the period under review.

In line with the higher revenue, we recorded higher gross profit of RM9.2 million at the Group level for the Current Quarter representing an increase by RM3.9 million or 73.6% as compared to the 3rd Quarter FY23.

Profit before tax amounted to RM4.7 million at the Group level for the Current Quarter, representing an increase by RM4.0 million or 5.7 times as compared to the 3rd Quarter FY23 mainly due to higher gross profit and other income. On the back of the higher profit before tax and lower effective group taxation, the Group registered an increase of RM3.3 million or 5.5 times in the profit after taxation to RM3.9 million for the Current Quarter as compared to the 3rd Quarter FY23.

Segment Review

The manufacturing division recorded higher revenue of RM24.6 million for the Current Quarter as compared with RM17.9 million for the 3rd Quarter FY23, an increase of RM6.7 million or 37.4%. The higher revenue from the manufacturing division was mainly driven by higher demand for our insulation products from both the export and local markets supported by favourable foreign exchange environment.

The gross profit from manufacturing division surged to RM8.9 million, an increase of RM4.1 million mainly due to lower cost of materials and favourable exchange rate movement. Accordingly, the division recorded a higher profit before tax at RM5.0 million representing an increase of RM4.2 million or 5.3 times, as compared with RM0.8 million in 3rd Quarter FY23 mainly due to higher gross profit and other income coupled with reversal of impairment on financial assets. The manufacturing division contributed approximately 80.8% of our Group’s total revenue for the Current Quarter.

The trading division recorded lower revenue of RM5.9 million and profit before tax of RM0.2 million for the Current Quarter as compared with RM7.7 million and RM0.4 million for the 3rd Quarter FY23 respectively. Trading division contributed approximately 19.2% 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 RM1.4 million or 4.8% to RM30.4 million as compared with RM29.0 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 30% compared with the preceding quarter of 29% mainly due to lower cost of materials in the Current Quarter compared to the preceding quarter.

Consequently, the Group recorded higher profit before tax for the Current Quarter at RM4.7 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

Our operating environment is improving with stronger demand in our key markets and relatively lower raw material prices. Going forward, demand will be influenced by global and local sentiment, logistic costs as well as raw material costs. 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 remains 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-Jan-24 RM'000	Current Year To Date 31-Jan-24 RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,387	4,056
Depreciation of right-of-use assets	286	862
(Gain)/Loss on foreign exchange - realised	(156)	(446)
(Gain)/Loss on foreign exchange - unrealised	538	531
Interest expenses	357	1,065
Interest expenses on lease liabilities	61	191
Interest income	(409)	(1,155)
Other expenses	154	336
Other income	(249)	(753)

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	To Date
	31-Jan-24	31-Jan-23	31-Jan-24	31-Jan-23
	RM'000	RM'000	RM'000	RM'000
Income Tax Expenses :				
-Current tax expenses	646	243	2,207	1,237
-Deferred tax expenses / (income)	86	(214)	(31)	(256)
Under / (Over) provision in prior year				
-Current tax expenses	15	56	14	56
-Deferred tax expenses / (income)		-	(293)	-
	<u>747</u>	<u>85</u>	<u>1,897</u>	<u>1,037</u>

The tax expense for the current quarter ended 31 January 2024 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 January 2024.

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-24	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	3,379	-
- Term Loan	2,158	21,035
Finance leases	493	760
	<u>6,030</u>	<u>21,795</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 3rd interim single-tier dividend of 1.25 sen per ordinary share (FY 2023 3rd Interim : Nil) for the financial year ending 30 April 2024. The interim single-tier dividend will be paid on 26 April 2024 to shareholders whose names appeared on the company's Record of Depositors on 15 April 2024.

B13. EARNINGS PER SHARE ("EPS")

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-24 RM'000	Preceding Year Corresponding Quarter 31-Jan-23 RM'000	Current Year To Date 31-Jan-24 RM'000	Preceding Year To Date 31-Jan-23 RM'000
Profit attributable to owners of the Parent	3,922	619	9,942	1,668
Weighted average number of ordinary shares ('000)	158,717	158,722	158,717	158,722
Basic earnings per share (sen)	2.47	0.39	6.26	1.05

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
22 March 2024