

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 JULY 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-24 RM'000	Preceding Year Corresponding Quarter 31-Jul-23 RM'000	Current Year To Date 31-Jul-24 RM'000	Preceding Year To Date 31-Jul-23 RM'000
Revenue	37,408	27,860	37,408	27,860
Cost of sales	(28,444)	(20,913)	(28,444)	(20,913)
Gross profit	8,964	6,947	8,964	6,947
Other income	1,263	801	1,263	801
Selling & distribution expenses	(2,164)	(1,932)	(2,164)	(1,932)
Administrative expenses	(2,728)	(2,425)	(2,728)	(2,425)
Other operating expenses	(381)	(202)	(381)	(202)
Finance costs	(420)	(399)	(420)	(399)
Reversal of impairment/(Impairment loss) on financial assets	185	(208)	185	(208)
Profit before taxation	4,719	2,582	4,719	2,582
Income tax expense	(775)	(256)	(775)	(256)
Profit for the period	3,944	2,326	3,944	2,326
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	(1,182)	(129)	(1,182)	(129)
Total comprehensive income for the period	2,762	2,197	2,762	2,197
Profit attributable to :				
Owners of the Company	3,944	2,326	3,944	2,326
Non-Controlling Interest	-	-	-	-
	3,944	2,326	3,944	2,326
Total comprehensive income attributable to :				
Owners of the Company	2,762	2,197	2,762	2,197
Non-Controlling Interest	-	-	-	-
	2,762	2,197	2,762	2,197
Basic earnings per share (sen)	2.49	1.38	2.49	1.38

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 2024.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
31 JULY 2024**

	Unaudited As At 31-Jul-24 RM'000	Audited As At 30-Apr-24 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	91,975	93,854
Right-of-use Assets	5,484	5,803
Intangible assets	1,000	1,000
Other investment	47	47
Deferred tax assets	-	29
	<u>98,506</u>	<u>100,733</u>
Current assets		
Inventories	29,522	25,777
Trade receivables	12,467	15,083
Other receivables, deposits and prepayments	4,981	3,440
Current tax assets	989	761
Short term investment	9,852	5,772
Deposit with licensed bank	38,710	40,393
Cash and bank balances	10,783	10,808
	<u>107,304</u>	<u>102,034</u>
TOTAL ASSETS	<u><u>205,810</u></u>	<u><u>202,767</u></u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	41,433	41,433
Treasury shares	(542)	(542)
Reserves	113,826	112,253
Total Equity	<u>154,717</u>	<u>153,144</u>
Non-current liabilities		
Lease liabilities	3,038	3,269
Loans and borrowings	20,621	21,208
Deferred tax liabilities	6,397	6,509
	<u>30,056</u>	<u>30,986</u>
Current liabilities		
Lease liabilities	879	863
Loans and borrowings	8,246	6,194
Trade payables	5,032	5,131
Other payables and accruals	5,065	6,404
Dividend payable	1,189	-
Current tax liabilities	626	45
	<u>21,037</u>	<u>18,637</u>
TOTAL EQUITY AND LIABILITIES	<u><u>205,810</u></u>	<u><u>202,767</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u>97.56</u>	<u>96.56</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 2024.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR FINANCIAL PERIOD ENDED 31 JULY 2024**

	Attributable to Owners of the Company					Total Equity
	Share Capital	Non-Distributable			Distributable	
		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 2023	41,433	(428)	1,890	26,123	75,738	144,756
Profit for the period	-	-	-	-	2,326	2,326
Other comprehensive income/(loss)	-	-	(129)	-	-	(129)
Total comprehensive income/(loss)	-	-	(129)	-	2,326	2,197
Share buy back	-	-	-	-	-	-
Realisation of revaluation surplus	-	-	-	(41)	41	-
Balance as at 31 July 2023	<u>41,433</u>	<u>(428)</u>	<u>1,761</u>	<u>26,082</u>	<u>78,105</u>	<u>146,953</u>
Balance as at 1 May 2024	41,433	(542)	3,256	25,472	83,525	153,144
Profit for the period	-	-	-	-	3,944	3,944
Other comprehensive income/(loss)	-	-	(1,182)	-	-	(1,182)
Total comprehensive income/(loss)	-	-	(1,182)	-	3,944	2,762
Share buy back	-	-	-	-	-	-
Realisation of revaluation surplus	-	-	-	(36)	36	-
Distribution of dividend	-	-	-	-	(1,189)	(1,189)
Balance as at 31 July 2024	<u>41,433</u>	<u>(542)</u>	<u>2,074</u>	<u>25,436</u>	<u>86,316</u>	<u>154,717</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 2024.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 JULY 2024**

	Current Year Ended 31-Jul-24 RM'000	Preceding Year Ended 31-Jul-23 RM'000
Cash flows from operating activities		
Profit before taxation	4,719	2,582
Adjustment for :		
Non-cash items	1,126	1,936
Non-operating items	(222)	4
	<hr/>	<hr/>
Operating profit before working capital changes	5,623	4,522
Changes in working capital		
Inventories	(3,757)	(47)
Trade and other receivables	954	(2,477)
Trade and other payables	(216)	774
	<hr/>	<hr/>
Cash generated from / (used) in operations	2,604	2,772
Interest received	643	395
Tax paid	(495)	(43)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<u>2,752</u>	<u>3,124</u>
Cash flows from investing activities		
Net withdrawal/(placement) of fixed deposits with maturity more than three months	(406)	(8,426)
Proceeds from disposal of property, plant & equipment	-	71
Purchase of property, plant & equipment and development expenditure	(804)	(1,512)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<u>(1,210)</u>	<u>(9,867)</u>
Cash flows from financing activities		
Dividend paid	-	-
Interest paid	(365)	(332)
Interest paid on lease liabilities	(55)	(67)
Net movement in trade bills & multi currency trade loan	2,309	1,617
Repayment of term loans	(532)	(606)
Repayment of hire purchase payables	(60)	(78)
Repayment of lease liabilities	(221)	(228)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<u>1,076</u>	<u>306</u>
Net increase / (decrease) in cash and cash equivalents	2,618	(6,437)
Currency Translation Differences	(653)	(194)
Cash and cash equivalents as at beginning of financial year	21,400	26,677
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<u>23,365</u>	<u>20,046</u>
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	23,365	20,046
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	<u>23,365</u>	<u>20,046</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2024 (Cont'd)**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statements of financial positions amounts:

	Current Year Ended 31-Jul-24 RM'000	Preceding Year Ended 31-Jul-23 RM'000
Cash and bank balances	10,783	15,671
Deposit with licensed banks	38,710	39,381
Short-term investment	9,852	-
	<u>59,345</u>	<u>55,052</u>
Deposit with maturity more than 3 months	<u>(35,980)</u>	<u>(35,006)</u>
Cash and cash equivalents	<u><u>23,365</u></u>	<u><u>20,046</u></u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2024.

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 2024. 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 2024.

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 2024 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 2024 :

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments 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 121: Lack of Exchangeability	1 January 2025

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2024 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2024.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2024 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 2024, the number of treasury shares held in hand amounted to 1,406,158 ordinary shares, at an average buy-back price of RM0.39 per share.

A8. DIVIDEND PAID AND DISTRIBUTED

There was no dividend paid during the current quarter ended 31 July 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>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>To Date</u>	<u>To Date</u>
	<u>31-Jul-24</u>	<u>31-Jul-23</u>	<u>31-Jul-24</u>	<u>31-Jul-23</u>
Revenue				
- Manufacturing	28,442	21,883	28,442	21,883
- Trading	8,966	5,977	8,966	5,977
	<u>37,408</u>	<u>27,860</u>	<u>37,408</u>	<u>27,860</u>
Profit before tax				
- Manufacturing	3,941	2,069	3,941	2,069
- Trading	643	516	643	516
	<u>4,584</u>	<u>2,585</u>	<u>4,584</u>	<u>2,585</u>
Less : Unallocated corporate and others (cost) / income	135	(3)	135	(3)
	<u>4,719</u>	<u>2,582</u>	<u>4,719</u>	<u>2,582</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 2024.

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 RM37.4 million for the quarter ended 31 July 2024 (“Current Quarter”), which represents an increase by RM9.5 million or 34.1% as compared to the same quarter of the previous year (“1st Quarter FY24”). The increase was due to higher sales for both manufacturing & trading segment during the period under review.

In line with the higher revenue, we recorded higher gross profit of RM9.0 million at the Group level for the Current Quarter representing an increase by RM2.1 million or 30.4% as compared to the 1st Quarter FY24.

Profit before tax amounted to RM4.7 million at the Group level for the Current Quarter, representing an increase by RM2.1 million or 80.8% as compared to the 1st Quarter FY24 mainly due to higher gross profit. On the back of the higher profit before tax, the Group registered an increase of RM1.6 million or 69.6% in the profit after taxation to RM3.9 million for the Current Quarter as compared to the 1st Quarter FY24.

Segment Review

The manufacturing division recorded higher revenue of RM28.4 million for the Current Quarter as compared with RM21.9 million for the 1st Quarter FY24, an increase of RM6.5 million or 29.7%. The higher revenue from the manufacturing division was mainly driven by higher demand for our insulation products from both export & local market supported by favourable foreign exchange environment.

The division recorded a higher profit before tax at RM3.9 million representing an increase of RM1.8 million or 85.7%, as compared with RM2.1 million in 1st Quarter FY24 mainly due to higher gross profit driven by higher revenue. The manufacturing division contributed approximately 76.0% of our Group’s total revenue for the Current Quarter.

The trading division recorded higher revenue of RM9.0 million and profit before tax of RM0.6 million for the Current Quarter as compared with RM6.0 million and RM0.5 million for the 1st Quarter FY24 respectively. Trading division contributed approximately 24.0% of Group’s total revenue for the Current Quarter.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Current Quarter	Preceding Quarter	Variance
	31-Jul-24	30-Apr-24	
	RM'mil	RM'mil	%
Revenue	37.4	30.9	21
Gross profit	9.0	7.7	17
Profit before tax	4.7	2.0	135
Profit after tax	3.9	2.0	95

The Group's revenue for the Current Quarter increased by RM6.5 million or 21% to RM37.4 million as compared with RM30.9 million in the preceding quarter. The increase was mainly due to the higher revenue contributed from manufacturing division.

The Group recorded a marginally lower gross profit margin for the Current Quarter of 24% compared with the preceding quarter of 25% mainly due to a revenue mix comprising higher insulation sales from lower margin markets coupled with a larger revenue contribution from our trading division which has a relatively lower margins.

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 and other income compared to preceding quarter.

B3. COMMENTARY ON PROSPECTS

Our operating environment is encouraging with sustained demand in our key markets. Going forward, demand will be mainly 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 positive on the performance of our group for the financial year ending 30 April 2025.

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	Current Year To Date
	31-Jul-24	31-Jul-24
	RM'000	RM'000
Profit before taxation is stated at after charging/(crediting) :		
Depreciation of property, plant and equipment	1,513	1,513
Depreciation of right-of-use assets	274	274
(Gain)/Loss on foreign exchange - realised	353	353
(Gain)/Loss on foreign exchange - unrealised	(511)	(511)
Interest expenses	365	365
Interest expenses on lease liabilities	55	55
Interest income	(643)	(643)
Other expenses	28	28
Other income	(109)	(109)

B6. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jul-24 RM'000	Preceding Year Correspondin g Quarter 31-Jul-23 RM'000	Current Year To Date 31-Jul-24 RM'000	Preceding Year To Date 31-Jul-23 RM'000
Income Tax Expenses :				
-Current tax expenses	849	779	849	779
-Deferred tax expenses / (income)	(74)	(230)	(74)	(230)
Under / (Over) provision in prior year				
-Current tax expenses	-	(42)	-	(42)
-Deferred tax expenses / (income)	-	(251)	-	(251)
	<u>775</u>	<u>256</u>	<u>775</u>	<u>256</u>

The tax expense for the current quarter ended 31 July 2024 is derived based on statutory current tax rate of 24% (YA2025) for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

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 2024.

B9. CORPORATE PROPOSAL

On 28 June 2024, the Company announced the proposed establishment of an employees' share scheme of up to 10% of the total number of issued ordinary shares of the Company (excluding treasury shares) ("Scheme") at any point in time during the tenure of the Scheme, for the eligible Directors and employees of Superlon and its subsidiaries (excluding dormant subsidiaries) ("Proposed ESS").

On 2 August 2024, the Company obtained approval from Bursa Malaysia Securities Berhad for the listing and quotation of such number of additional new ordinary shares in Superlon pursuant to the Proposed ESS subject to, amongst others, the approval from the shareholders of the Company at a general meeting.

The Proposed ESS was approved by the shareholders of the Company at the extraordinary general meeting held on 25 September 2024.

B10. LOANS AND BORROWINGS

The Group's loans and borrowings as at the end of the reporting quarter are as follows:

	Current Year To Date	
	31-Jul-24	
	Short Term	Long Term
	RM'000	RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	5,612	-
- Term Loan	2,188	19,940
Finance leases	446	681
	<u>8,246</u>	<u>20,621</u>

Summary of all loans and borrowings:

		Foreign Currency	Current Year To
		Denominated	Date
		'000	31-Jul-24
			RM'000
	USD	1,223	5,612
	RM	23,255	23,255
Total loans and borrowings			<u>28,867</u>
Exchange rate RM to USD1			4.59

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-Jul-24 RM'000	Preceeding Year Corresponding Quarter 31-Jul-23 RM'000	Current Year To Date 31-Jul-24 RM'000	Preceeding Year To Date 31-Jul-23 RM'000
Profit attributable to owners of the Parent	3,944	2,197	3,944	2,197
Weighted average number of ordinary shares ('000)	158,703	158,717	158,703	158,717
Basic earnings per share (sen)	2.49	1.38	2.49	1.38

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 Hsiu-Lin Liu)
Managing Director

Kuala Lumpur
25 September 2024