

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 JULY 2013

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-13 RM'000	Preceding Year Corresponding Quarter 31-Jul-12 RM'000	Current Year To Date 31-Jul-13 RM'000	Preceding Year Corresponding Period 31-Jul-12 RM'000
Revenue	15,877	16,200	15,877	16,200
Cost of sales	(11,561)	(12,345)	(11,561)	(12,345)
Gross profit	4,316	3,855	4,316	3,855
Other income	976	457	976	457
Selling & distribution expenses	(1,087)	(1,185)	(1,087)	(1,185)
Administrative & operating expenses	(1,242)	(1,086)	(1,242)	(1,086)
Finance costs	(133)	(157)	(133)	(157)
Profit before tax	2,830	1,884	2,830	1,884
Income tax expense	(967)	(363)	(967)	(363)
Profit / (Loss) for the period	1,863	1,521	1,863	1,521
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,863	1,521	1,863	1,521
Profit / (Loss) attributable to :				
Owners of the Parent	1,863	1,618	1,863	1,618
Non-Controlling Interest	-	(97)	-	(97)
	1,863	1,521	1,863	1,521
Total comprehensive income / (loss) attributable to :				
Owners of the Parent	1,863	1,618	1,863	1,618
Non-Controlling Interest	-	(97)	-	(97)
	1,863	1,521	1,863	1,521
Basic earnings per share (sen)	2.33	2.07	2.33	2.07

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2013 and the accompanying notes to the Interim Financial Statements

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2013

	Current Quarter 31-Jul-13 RM'000	Audited 30-April-13 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	34,174	33,963
Intangible asset	2,262	2,242
Other Investment	47	47
Other receivable	-	17
Defer tax assets	700	700
	37,183	36,969
Current Assets		
Inventories	10,690	11,917
Trade and other receivables	9,689	8,914
Prepayment and other assets	464	422
Derivative asset	-	1
Deposit, cash and bank balances	13,613	10,637
	34,456	31,891
TOTAL ASSETS	71,639	68,860
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	40,000	40,000
Share premium	1,433	1,433
Treasury shares	(92)	(92)
Retained profits	16,288	14,425
	57,629	55,766
Non-controlling interests	-	-
Total Equity	57,629	55,766
Non-current liabilities		
Bank borrowings	2,005	2,081
Finance leases	993	540
Deferred tax liability	2,971	2,621
	5,969	5,242
Current liabilities		
Bank borrowings	2,150	1,970
Trade and other payables	5,093	5,605
Derivatives liabilities	65	-
Finance leases	295	271
Current tax payables	438	6
	8,041	7,852
TOTAL EQUITY AND LIABILITIES	71,639	68,860
Net assets per ordinary share attributable to Owners of Parent (sen)	72.23	69.89

Note:

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited financial statements for the financial year ended 30 April 2013 and the accompanying notes to the Interim Financial Statements.

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2013**

	← Attributable to Owners of the Parent →				Sub Total	Non-Controlling Interest	Total Equity
	← Non-Distributable →		Distributable				
	Share Capital	Share Premium	Treasury Share	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 May 2012	40,000	2,049	(628)	11,305	52,726	(881)	51,845
Profit for the period	-	-	-	1,618	1,618	(97)	1,521
Share buy-back	-	-	-	-	(70)	-	(70)
Increase of Stake in Subsidiary	-	-	-	(978)	(978)	978	-
Balance as at 31 July 2012	40,000	2,049	(698)	11,945	53,296	-	53,296

	← Attributable to Owners of the Parent →				Sub Total	Non-Controlling Interest	Total Equity
	← Non-Distributable →		Distributable				
	Share Capital	Share Premium	Treasury Share	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 May 2013	40,000	1,433	(92)	14,425	55,766	-	55,766
Profit for the period	-	-	-	1,863	1,863	-	1,863
Share buy-back	-	-	-	-	-	-	-
Increase in stake in subsidiary	-	-	-	-	-	-	-
Distribution of dividend	-	-	-	-	-	-	-
Balance as at 31 July 2013	40,000	1,433	(92)	16,288	57,629	-	57,629

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 2013 and the accompanying notes to the Interim Financial Statements

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2013

	Current Year Ended 31-Jul-13 RM'000	Preceding Year Ended 31-Jul-12 RM'000
Cash flows from operating activities		
Profit before tax	2,830	1,884
Adjustments for:		
Non-cash items	248	904
Non-operating items	61	97
Operating profit before working capital changes	3,139	2,885
Changes in working capital:		
Inventories	1,226	444
Trade and other receivables	(444)	(424)
Trade and other payables	(540)	50
Cash generated from / (used in) operations	3,381	2,955
Interest received	21	4
Interest paid	(81)	(102)
Tax paid	(184)	(7)
Net cash from / (used in) operating activities	3,137	2,850
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	220	-
Purchase of property, plant & equipment and development expenditure	(232)	(304)
Net cash from / (used in) investing activities	(12)	(304)
Cash flows from financing activities		
Purchase of treasury shares	-	(70)
Net movement in trade bills	174	(268)
Repayment of term loan	(70)	(65)
Repayment of finance leases	(253)	(40)
Net cash used in financing activities	(149)	(443)
Net increase in cash and cash equivalents	2,976	2,103
Cash and cash equivalents as at beginning of financial year	10,637	3,754
Cash and cash equivalents at end of financial period	13,613	5,857
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	13,613	6,417
Overdraft	-	(560)
	13,613	5,857

Note:

The unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2013 and the accompanying notes to the Interim Financial Statements.

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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A. Explanatory Notes Pursuant to Financial Reporting Standard (“FRS”) 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 2013. 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 2013.

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 2013 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 2013 :

MFRSs and IC Interpretations (including the Consequential Amendments)		Effective date
MFRS 9	: Financial Instrument	1 January 2015
MFRS 10	: Consolidated Financial Statement	1 January 2013
MFRS 11	: Joint Arrangements	1 January 2013
MFRS 12	: Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	: Fair Value Measurement	1 January 2013
MFRS 119	: Employee Benefits	1 January 2013
MFRS 127	: Separate Financial Statements	1 January 2013
MFRS 128	: Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	: Government Loans	1 January 2013
Amendments to MFRS 7	: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 9 and MFRS 7	: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12	: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127	: Investment Entities	1 January 2014
Amendments to MFRS 132	: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle		1 January 2013

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2013 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2013.

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2013 were not qualified.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were not materially affected by any major seasonal or cyclical factors.

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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.

As at 31 July 2013, the number of treasury shares held in hand was 214,079 ordinary shares of RM0.50 each, at an average buy-back price of RM0.43 per share.

A8. DIVIDEND PAID

There was no dividend paid during the quarter under review.

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 equipments and the manufacturing of precise fine tubes.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jul-13	31-Jul-12	31-Jul-13	31-Jul-12
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	14,029	15,053	14,029	15,053
- Trading	1,849	809	1,849	809
- Steel Pipes	-	338	-	338
	<u>15,878</u>	<u>16,200</u>	<u>15,878</u>	<u>16,200</u>
Profit before tax				
- Manufacturing	2,760	2,200	2,760	2,200
- Trading	140	(13)	140	(13)
- Steel Pipes	-	(209)	-	(209)
	<u>2,900</u>	<u>1,978</u>	<u>2,900</u>	<u>1,978</u>
Less : Unallocated corporate cost	<u>(70)</u>	<u>(94)</u>	<u>(70)</u>	<u>(94)</u>
	<u>2,830</u>	<u>1,884</u>	<u>2,830</u>	<u>1,884</u>

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A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the financial quarter under review.

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.

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B. Additional Information Required By Bursa Malaysia Securities Berhad Listing Requirements

B1. PERFORMANCE REVIEW

The Group revenue for the current quarter of RM15.9 million was lower by RM0.3 million as compared to the same corresponding quarter last year due to decrease in export insulation sales and cessation of sales contribution from steel pipes after closing down of operation in August 2012.

The Group registered a profit before tax of RM4.3 million in the current quarter as compared to RM3.9 million during the same quarter of previous year. The cessation of steel pipes operation has freed the Group from the division's losses that have weighted down profit margin in the past.

The insulation division recorded revenue and profit before tax of RM14 million (2013:RM15.1 million) and RM2.8 million (2013:RM2.2 million) respectively. The profit before tax from insulation division has increased by RM0.6 million mainly due to higher unrealised exchange gain for export debtors.

Revenue for the trading division of RM1.8 million (2013:RM0.8 million) was higher by RM1 million due to the increase sale of copper pipe to local customers. The trading division profit before tax in current quarter has increased to RM0.2 million compared to RM0.04 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 25% to RM15.9 million as compared to RM12.7 million in the preceding quarter.

The group registered a profit before tax of RM2.8 million in the current quarter as compared to RM0.2 million in the preceding quarter. Profit after tax of the Group is RM1.8 million compared to RM0.8 million in the preceding quarter. The higher profit before tax of the Group was mainly due to increase in contribution from higher sales.

B3. COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances and based on the present trend of demand, the Board expects the Group to achieve positive results for the financial year ending 30th April 2014.

B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT

The Company did not issue any profit forecast for the year.

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B5. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-13 RM'000	Preceding Year Corresponding Quarter 31-Jul-12 RM'000	Current Year To Date 31-Jul-13 RM'000	Preceding Year Corresponding Period 31-Jul-12 RM'000
Malaysian Taxation				
-Current tax expense	617	368	617	368
-Deferred tax expenses	350	(3)	350	(3)
-Under/(over) provision	-	(2)	-	(2)
	<u>967</u>	<u>363</u>	<u>967</u>	<u>363</u>

The tax expense for the current quarter ended 31 July 2013 is derived based on statutory current tax rate of 25% (YA2014) for the financial period. The deferred tax liabilities arose from accelerated capital allowances over depreciation of qualifying property, plant and equipment. The effective tax rate of the Group for the current quarter and financial year is lower than the statutory tax rate principally due to the utilisation of reinvestment allowances and unabsorbed capital allowances.

B6. UNQUOTED SECURITIES AND/OR PROPERTIES

There were neither purchases nor disposals of any unquoted securities and / or properties for the current quarter under review.

B7. 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 2013.

B8. CORPORATE PROPOSAL

There is no outstanding corporate proposal of the Group during the current quarter under review.

B9. BORROWINGS

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

<u>Secured</u>	Current Year Quarter 31-Jul-13	
	Short Term RM'000	Long Term RM'000
Bank borrowings		
- Trade Facility	1,856	-
- Term Loan	294	2,005
Finance leases	295	993
	<u>2,445</u>	<u>2,998</u>

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B10. OUSTANDING DERIVATIVES

With the adoption of FRS 139, there are currently no off balance sheet derivatives.

As at 31 July 2013, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter 31-Jul-13	
	Fair Value	Gain/ (Loss) from Change in Fair Value Assets/(Liabilities)
	31-Jul-13 RM'000	31-Jul-13 RM'000
Foreign exchange contract -Less than 1 year	1,300	(65)

The Group uses forward foreign exchange contract to hedge its exposure to fluctuations in foreign exchange arising from the sales and purchases.

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 subsidiary.

B12. PROPOSED DIVIDEND

The Board of Directors proposed a final single-tier dividend of 3.5% equivalent to 1.75 sen per ordinary share in respect of the financial year ended 30 April 2013. This dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits for the financial year ending 30 April 2014.

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B13. EARNINGS PER SHARE (“EPS”)

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>31-Jul-13</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-Jul-12</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>31-Jul-13</u> <u>RM'000</u>	<u>Preceding Year Corresponding Period</u> <u>31-Jul-12</u> <u>RM'000</u>
Profit / (Loss) attributable to owners of the Parent	1,863	1,618	1,863	1,618
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	79,786	78,257	79,786	78,257
Basic earnings / (loss) per share (sen)	2.33	2.07	2.33	2.07

The diluted earnings per share for the Company is not presented as there are no potential dilutive ordinary share during the financial period.

B.14 REALISED AND UNREALISED RETAINED PROFITS

The breakdown of the retained earnings of the Group as at 31 July 2013, into realised and unrealised profits, is as follows :

	Current Year Quarter 31-Jul-13 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	30,705
-Unrealised loss	(2,006)
	<u>28,699</u>
Less : Consolidation adjustments	(12,411)
	<u>16,288</u>

By Order of the Board

Liu Lee, Hsiu-Lin (also known as Jessica H. Liu)
Managing Director

Kuala Lumpur
18 September 2013