

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 31 OCTOBER 2013

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>31-Oct-13</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-Oct-12</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>31-Oct-13</u> <u>RM'000</u>	<u>Preceding Year Corresponding Period</u> <u>31-Oct-12</u> <u>RM'000</u>
Revenue	14,539	14,394	30,416	30,594
Cost of sales	(10,064)	(12,188)	(21,625)	(24,534)
Gross profit	4,475	2,206	8,791	6,060
Other income	193	245	864	396
Selling & distribution expenses	(1,147)	(909)	(2,233)	(2,094)
Administrative & operating expenses	(1,479)	(1,288)	(2,416)	(2,068)
Finance costs	(135)	(161)	(268)	(318)
Profit before tax	1,907	93	4,736	1,976
Income tax expense	(272)	259	(1,239)	(104)
Profit for the period	1,635	352	3,497	1,872
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,635	352	3,497	1,872
Profit / (Loss) attributable to :				
Owners of the Parent	1,635	352	3,497	1,969
Non-Controlling Interest	-	-	-	(97)
	1,635	352	3,497	1,872
Total comprehensive income / (loss) attributable to :				
Owners of the Parent	1,635	352	3,497	1,969
Non-Controlling Interest	-	-	-	(97)
	1,635	352	3,497	1,872
Basic earnings per share (sen)	2.05	0.45	4.38	2.52

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 OCTOBER 2013

	Current Quarter 31-Oct-13 RM'000	Audited 30-April-13 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	33,614	33,963
Intangible asset	2,240	2,242
Other Investment	47	47
Other receivable	-	17
Deferred tax asset	700	700
	36,601	36,969
Current Assets		
Inventories	10,685	11,917
Trade and other receivables	8,905	8,914
Prepayment and other assets	379	422
Derivative asset	-	1
Deposit, cash and bank balances	14,996	10,637
	34,965	31,891
TOTAL ASSETS	71,566	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	(113)	(92)
Retained profits	17,922	14,425
Total Equity	59,242	55,766
Non-current liabilities		
Bank borrowings	1,928	2,081
Finance leases	926	540
Deferred tax liability	2,661	2,621
	5,515	5,242
Current liabilities		
Bank borrowings	1,918	1,970
Trade and other payables	3,683	5,605
Derivatives liabilities	16	-
Finance leases	288	271
Current tax payables	904	6
	6,809	7,852
TOTAL EQUITY AND LIABILITIES	71,566	68,860
Net assets per ordinary share attributable to Owners of Parent (sen)	74.30	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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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	-	-	-	1,969	1,969	(97)	1,872
Share buy-back	-	-	(74)	-	(74)	-	(74)
Increase in stake in subsidiary	-	-	-	(978)	(978)	978	-
Balance as at 31 October 2012	40,000	2,049	(702)	12,296	53,643	-	53,643

	← Attributable to Owners of the Parent →				Total Equity
	← Non-Distributable →		→ Distributable →		
	Share Capital	Share Premium	Treasury Share	Retained Profit	
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
Profit for the period	-	-	-	3,497	3,497
Share buy-back	-	-	(21)	-	(21)
Balance as at 31 October 2013	40,000	1,433	(113)	17,922	59,242

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 OCTOBER 2013

	Current Year Ended 31-Oct-13 RM'000	Preceding Year Ended 31-Oct-12 RM'000
Cash flows from operating activities		
Profit before tax	4,736	1,976
Adjustments for:		
Non-cash items	1,239	1,536
Non-operating items	118	173
Operating profit before working capital changes	6,093	3,685
Changes in working capital:		
Inventories	1,232	1,645
Trade and other receivables	176	1,961
Trade and other payables	(1,939)	(1,497)
Cash generated from operations	5,562	5,793
Interest received	41	30
Interest paid	(159)	(203)
Tax paid	(300)	(7)
Net cash from operating activities	5,144	5,613
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	232	1,912
Purchase of property, plant & equipment and development expenditure	(464)	(300)
Net cash used in investing activities	(232)	1,612
Cash flows from financing activities		
Purchase of treasury shares	(21)	(74)
Net movement in trade bills	(63)	(1,449)
Repayment of term loan	(327)	(132)
Repayment of finance leases	(142)	(84)
Net cash used in financing activities	(553)	(1,739)
Net increase in cash and cash equivalents	4,359	5,485
Cash and cash equivalents as at beginning of financial year	10,637	3,754
Cash and cash equivalents at end of financial period	14,996	9,239
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	14,996	9,239
Overdraft	-	-
	14,996	9,239

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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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.

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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 except for the following :-

During the financial quarter ended 31 October 2013, Superlon Holdings Berhad ("SHB") bought back from the open market 50,000 SHB shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.42 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 31 October 2013, including transaction cost, was RM21,053.67 and was financed by internally generated funds.

The SHB shares bought back are held as treasury shares in accordance with section 67A subsection 3(A)(b) of the Companies Act 1965. As at 31 October 2013, the number of treasury shares held in hand was 264,079 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.

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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. The manufacturing of precise fine tubes which was part of the group's activities in the preceding year corresponding quarter was discontinued since August 2012

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year Corresponding Period</u>
	<u>31-Oct-13</u>	<u>31-Oct-12</u>	<u>31-Oct-13</u>	<u>31-Oct-12</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue				
- Manufacturing	12,655	11,859	26,683	26,910
- Trading	1,884	1,790	3,733	2,600
- Steel Pipes	-	745	-	1,084
	<u>14,539</u>	<u>14,394</u>	<u>30,416</u>	<u>30,594</u>
Profit before tax				
- Manufacturing	1,932	90	4,691	2,344
- Trading	71	100	211	87
- Steel Pipes	-	(34)	-	(243)
	<u>2,003</u>	<u>156</u>	<u>4,902</u>	<u>2,188</u>
Less : Unallocated corporate cost	<u>(96)</u>	<u>(63)</u>	<u>(166)</u>	<u>(212)</u>
	<u>1,907</u>	<u>93</u>	<u>4,736</u>	<u>1,976</u>

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 RM14.5 million was higher by RM0.1 million as compared to the same corresponding quarter last year.

The Group registered a profit before tax of RM1.9 million in the current quarter as compared to RM0.1million during the same quarter of previous year

The insulation division recorded revenue and profit before tax of RM12.7 million (2012:RM11.9 million) and RM1.9 million (2012:RM0.1 million) respectively. The profit before tax from insulation division has increased by RM1.8 million due to lower cost of material and favourable exchange rate resulted in higher gross profit margin.

Revenue for the trading division of RM1.9 million (2012:RM1.8 million) was higher by RM0.1 million due to the increase sale of copper pipe to local customers. The trading division profit before tax in current quarter has decreased to RM0.07 million compared to RM0.1 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has decreased by 9% to RM14.5 million as compared to RM15.9 million in the preceding quarter.

The group registered a profit before tax of RM1.9 million in the current quarter as compared to RM2.8 million in the preceding quarter. Profit after tax of the Group is RM1.6 million compared to RM1.9 million in the preceding quarter due to lower realised exchange gain and reversal of unrealised exchange gain recognised in previous quarter .

B3. COMMENTARY ON PROSPECTS

Baring 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.

B5. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Oct-13	31-Oct-12	31-Oct-13	31-Oct-12
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation				
-Current tax expense	583	(99)	1,200	268
-Under/(over) provision	-	(27)	-	(30)
Deferred tax expenses	(311)	(133)	39	(134)
	<u>272</u>	<u>(259)</u>	<u>1,239</u>	<u>104</u>

The tax expense for the current quarter ended 31 October 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.

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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 October 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:

	Current Year Quarter 31-Oct-13	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank overdraft	-	-
Bank borrowings		
- Trade Facility	1,619	-
- Term Loan	299	1,928
Finance leases	288	926
	<u>2,206</u>	<u>2,854</u>

B10. OUSTANDING DERIVATIVES

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

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

Type of Derivative	Current Year Quarter 31-Oct-13	
	Fair Value	Gain/ (Loss) from Change in Fair Value Assets/(Liabilities)
	31-Oct-13 RM'000	31-Oct-13 RM'000
Foreign exchange contract		
-Less than 1 year	946	49

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

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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

On even date, the Board of Directors has approved and declared an interim single-tier dividend of 1.25 sen per ordinary share of RM0.50 each for the financial year ending 30 April 2014 (2013 Interim : nil). The Books Closure Date and Payment Date will be announced in due course.

B13. EARNINGS PER SHARE (“EPS”)

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u> <u>31-Oct-13</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Oct-12</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>31-Oct-13</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31-Oct-12</u> <u>RM'000</u>
Profit attributable to owners of the Parent (RM '000)	1,635	352	3,497	1,969
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	79,775	78,252	79,775	78,252
Basic earnings per share (sen)	2.05	0.45	4.38	2.52

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

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B.14 REALISED AND UNREALISED RETAINED PROFITS

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

	Current Year Quarter 31-Oct-13 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	32,211
-Unrealised loss	(1,886)
	<hr/>
	30,325
Less : Consolidation adjustments	(12,403)
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	<u>17,922</u>

By Order of the Board

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

Kuala Lumpur
20 December 2013