

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 3RD QUARTER ENDED 31ST JANUARY 2014**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter</b> <b>31-Jan-14</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>31-Jan-13</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>31-Jan-14</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>31-Jan-13</b> <b>RM'000</b>
Revenue	14,578	15,202	44,995	45,796
Cost of sales	(10,211)	(11,813)	(31,837)	(36,346)
Gross profit	4,367	3,389	13,158	9,450
Other income	667	283	1,531	671
Selling & distribution expenses	(1,019)	(1,054)	(3,293)	(3,149)
Administrative & operating expenses	(2,385)	(1,020)	(4,761)	(3,079)
Finance costs	(149)	(158)	(417)	(476)
Profit before tax	1,481	1,440	6,218	3,417
Income tax expense	(219)	(348)	(1,458)	(452)
Profit for the period	1,262	1,092	4,760	2,965
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,262	1,092	4,760	2,965
Profit / (Loss) attributable to :				
Owners of the Parent	1,262	1,092	4,760	3,062
Non-Controlling Interest	-	-	-	(97)
	1,262	1,092	4,760	2,965
Total comprehensive income / (loss) attributable to :				
Owners of the Parent	1,262	1,092	4,760	3,062
Non-Controlling Interest	-	-	-	(97)
	1,262	1,092	4,760	2,965
Basic earnings per share (sen)	1.52	1.39	5.96	3.90

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 31ST JANUARY 2014**

	<b>Current Quarter 31-Jan-14 RM'000</b>	<b>Audited 30-April-13 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,063	33,963
Intangible asset	2,210	2,242
Other Investment	47	47
Other receivable	-	17
Deferred tax asset	700	700
	37,020	36,969
<b>Current Assets</b>		
Inventories	10,982	11,917
Trade and other receivables	9,421	8,914
Prepayment and other assets	654	422
Derivative asset	-	1
Deposit, cash and bank balances	15,029	10,637
	36,086	31,891
<b>TOTAL ASSETS</b>	73,106	68,860
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	40,000	40,000
Share premium	1,433	1,433
Treasury shares	(123)	(92)
Retained profits	17,790	14,425
<b>Total Equity</b>	59,100	55,766
<b>Non-current liabilities</b>		
Bank borrowings	1,808	2,081
Finance leases	1,105	540
Deferred tax liability	2,727	2,621
	5,640	5,242
<b>Current liabilities</b>		
Bank borrowings	2,843	1,970
Trade and other payables	4,410	5,605
Derivatives liabilities	72	-
Finance leases	340	271
Current tax payables	701	6
	8,366	7,852
<b>TOTAL EQUITY AND LIABILITIES</b>	73,106	68,860
Net assets per ordinary share attributable to Owners of Parent (sen)	74.14	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 31ST JANUARY 2014**

	← 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 <sup>st</sup> May 2012	40,000	2,049	(628)	11,305	52,726	(881)	51,845
Profit for the period	-	-	-	3,062	3,062	(97)	2,965
Share buy-back	-	-	(74)	-	(74)	-	(74)
Increase in stake in subsidiary	-	-	-	(978)	(978)	978	-
Distribution of dividend	-	(616)	616	-	-	-	-
Balance as at 31 <sup>st</sup> January 2013	40,000	1,433	(86)	13,389	54,736	-	54,736

	← 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 <sup>st</sup> May 2013	40,000	1,433	(92)	14,425	55,766
Profit for the period	-	-	-	4,760	4,760
Share buy-back	-	-	(31)	-	(31)
Final dividend	-	-	-	(1,395)	(1,395)
Balance as at 31 <sup>st</sup> January 2014	40,000	1,433	(123)	17,790	59,100

**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 31ST JANUARY 2014**

	<b>Current Year Ended 31-Jan-14 RM'000</b>	<b>Preceding Year Ended 31-Jan-13 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	6,217	3,417
Adjustments for:		
Non-cash items	1,768	2,090
Non-operating items	167	262
Operating profit before working capital changes	8,152	5,769
Changes in working capital:		
Inventories	935	1,942
Trade and other receivables	(156)	2,446
Trade and other payables	(1,238)	(1,285)
Cash generated from operations	7,693	8,872
Interest received	82	40
Interest paid	(249)	(302)
Tax paid	(822)	(7)
<b>Net cash from operating activities</b>	6,704	8,603
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant & equipment	296	1,926
Purchase of property, plant & equipment and development expenditure	(1,437)	(729)
<b>Net cash used in investing activities</b>	(1,141)	1,197
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(31)	(74)
Net movement in trade bills	853	(1,955)
Repayment of term loan	(253)	(199)
Repayment of finance leases	(345)	(148)
Dividend paid	(1,395)	-
<b>Net cash used in financing activities</b>	(1,171)	(2,376)
Net increase in cash and cash equivalents	4,392	7,424
Cash and cash equivalents as at beginning of financial year	10,637	3,754
Cash and cash equivalents at end of financial period	<b>15,029</b>	<b>11,178</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Deposits, Cash & Bank Balances	15,029	11,178
Overdraft	-	-
	<b>15,029</b>	<b>11,178</b>

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 January 2014, Superlon Holdings Berhad ("SHB") bought back from the open market 20,000 SHB shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.48 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 31 January 2014, including transaction cost, was RM9,569.85 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 January 2014, the number of treasury shares held in hand was 284,079 ordinary shares of RM0.50 each, at an average buy-back price of RM0.43 per share.

**A8. DIVIDEND PAID**

At the Annual General Meeting held on 25 October 2013, the shareholders has approved 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. The final dividend was paid on 16 December 2013 to shareholders whose names appeared on the company's Record of Depositors on 18 November 2013.

**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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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-Jan-14</u>	<u>31-Jan-13</u>	<u>31-Jan-14</u>	<u>31-Jan-13</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue				
- Manufacturing	12,535	13,622	39,219	40,532
- Trading	2,043	1,580	5,776	4,180
- Steel Pipes	-	-	-	1,084
	<u>14,578</u>	<u>15,202</u>	<u>44,995</u>	<u>45,796</u>
Profit before tax				
- Manufacturing	1,432	1,489	6,144	3,834
- Trading	167	69	358	156
- Steel Pipes	-	-	-	(243)
	<u>1,599</u>	<u>1,558</u>	<u>6,502</u>	<u>3,747</u>
Less : Unallocated corporate cost	<u>(118)</u>	<u>(118)</u>	<u>(284)</u>	<u>(330)</u>
	<u>1,481</u>	<u>1,440</u>	<u>6,218</u>	<u>3,417</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.

**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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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 RM14.6 million was lower by RM0.6 million as compared to the same corresponding quarter last year.

The Group registered a profit before tax of RM1.5 million in the current quarter as compared to RM1.4 million during the same quarter of previous year

The insulation division recorded revenue and profit before tax of RM12.5 million (2013:RM13.6 million) and RM1.4 million (2013:RM1.5 million) respectively. The profit before tax from insulation division has decreased marginally in line with slight deduction in revenue.

Revenue for the trading division of RM2.0 million (2013:RM1.6 million) was higher by RM0.4 million due to the increase sale of copper pipe to local customers. The trading division profit before tax in current quarter has increased to RM0.17 million compared to RM0.07 million during the same quarter of previous year.

**B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

Revenue for the current quarter has remained consistent with preceding quarter with both quarters revenue are recorded at RM14.6 million.

The group registered a profit before tax of RM1.5 million in the current quarter as compared to RM1.9 million in the preceding quarter. Profit after tax of the Group is RM1.3 million compared to RM1.6 million in the preceding quarter due to impairment of trade receivables.

**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 30 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>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31-Jan-14</b>	<b>31-Jan-13</b>	<b>31-Jan-14</b>	<b>31-Jan-13</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian Taxation				
-Current tax expense	215	162	1,415	431
-Under/(over) provision	(63)	-	(63)	51
Deferred tax expenses	67	186	106	(30)
	<u>219</u>	<u>348</u>	<u>1,458</u>	<u>452</u>

The tax expense for the current quarter ended 31 January 2014 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 January 2014.

**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:

	<b>Current Year Quarter</b>	
	<b>31-Jan-14</b>	
<u>Secured</u>	<b>Short Term</b>	<b>Long Term</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank borrowings		
- Trade Facility	2,535	-
- Term Loan	308	1,808
Finance leases	340	1,105
	<u>3,183</u>	<u>2,913</u>

**B10. OUSTANDING DERIVATIVES**

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

As at 31 January 2014, the Group has the following outstanding foreign exchange contract :-

<b>Type of Derivative</b>	<b>Current Year Quarter</b>	
	<b>31-Jan-14</b>	
	<b>Fair Value</b>	<b>Gain/ (Loss) from</b>
		<b>Change in Fair Value</b>
		<b>Assets/(Liabilities)</b>
	<b>RM'000</b>	<b>RM'000</b>
Foreign exchange contract		
-Less than 1 year	1,006	55

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**

There is no dividend proposed or declared during the current quarter under review.

**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-Jan-14</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Jan-13</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>31-Jan-14</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31-Jan-13</u> <u>RM'000</u>
Profit attributable to owners of the Parent (RM '000)	1,212	1,092	4,759	3,062
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	79,756	78,598	79,756	78,598
Basic earnings per share (sen)	1.52	1.39	5.97	3.90

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 January 2014, into realised and unrealised profits, is as follows :

	<b>Current Year Quarter 31-Jan-14 RM'000</b>
The retained profits of the Company and its subsidiaries :	
-Realised profits	31,926
-Unrealised loss	(1,743)
	<hr/>
	30,183
Less : Consolidation adjustments	(12,393)
	<hr/>
	<u>17,790</u>

**By Order of the Board**

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

**Kuala Lumpur**  
**20 March 2014**