

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 30TH APRIL 2014

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-14 RM'000	Preceding Year Corresponding Quarter 30-Apr-13 RM'000	Current Year To Date 30-Apr-14 RM'000	Preceding Year Corresponding Period 30-Apr-13 RM'000
Revenue	16,792	14,163	61,787	59,959
Cost of sales	(11,287)	(10,914)	(43,125)	(47,260)
Gross profit	5,505	3,249	18,662	12,699
Other income	95	3,082	1,115	3,405
Selling & distribution expenses	(1,027)	(925)	(4,320)	(4,073)
Administrative & operating expenses	(3,159)	(5,066)	(7,409)	(7,798)
Finance costs	(160)	(128)	(576)	(604)
Profit before tax	1,254	212	7,472	3,629
Income tax expense	(162)	824	(1,621)	372
Profit for the period	1,092	1,036	5,851	4,001
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	1,092	1,036	5,851	4,001
Profit / (Loss) attributable to :				
Owners of the Parent	1,092	1,036	5,851	4,098
Non-Controlling Interest	-	-	-	(97)
	1,092	1,036	5,851	4,001
Total comprehensive income / (loss) attributable to :				
Owners of the Parent	1,092	1,036	5,851	4,098
Non-Controlling Interest	-	-	-	(97)
	1,092	1,036	5,851	4,001
Basic earnings per share (sen)	1.37	1.31	7.34	5.19

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 30TH APRIL 2014

	Current Quarter 30-Apr-14 RM'000	Audited 30-April-13 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	33,437	33,963
Intangible asset	2,147	2,242
Other Investment	47	47
Other receivable	-	17
Deferred tax asset	649	700
	36,280	36,969
Current Assets		
Inventories	11,407	11,917
Trade and other receivables	8,971	8,914
Prepayment and other assets	901	422
Derivative asset	-	1
Deposit, cash and bank balances	15,761	10,637
	37,040	31,891
TOTAL ASSETS	73,320	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	(255)	(92)
Retained profits	17,885	14,425
Total Equity	59,063	55,766
Non-current liabilities		
Bank borrowings	1,767	2,081
Finance leases	1,035	540
Deferred tax liability	2,507	2,621
	5,309	5,242
Current liabilities		
Bank borrowings	2,939	1,970
Trade and other payables	5,664	5,605
Derivatives liabilities	11	-
Finance leases	333	271
Current tax payables	1	6
	8,948	7,852
TOTAL EQUITY AND LIABILITIES	73,320	68,860
Net assets per ordinary share attributable to Owners of Parent (sen)	74.28	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 30TH APRIL 2014

	← Attributable to Owners of the Parent →				Sub Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	← Non-Distributable →		→ Distributable →				
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000			
Balance as at 1 st May 2012	40,000	2,049	(628)	11,305	52,726	(881)	51,845
Profit for the period	-	-	-	4,098	4,098	(97)	4,001
Share buy-back	-	-	(80)	-	(80)	-	(80)
Increase in stake in subsidiary	-	-	-	(978)	(978)	978	-
Distribution of dividend	-	(616)	616	-	-	-	-
Balance as at 30 st April 2013	40,000	1,433	(92)	14,425	55,766	-	55,766

	← Attributable to Owners of the Parent →				Total Equity RM'000
	← Non-Distributable →		→ Distributable →		
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000	
Balance as at 1 st May 2013	40,000	1,433	(92)	14,425	55,766
Profit for the period	-	-	-	5,851	5,851
Share buy-back	-	-	(163)	-	(163)
Final dividend	-	-	-	(2,391)	(2,391)
Balance as at 30 th April 2014	40,000	1,433	(255)	17,885	59,063

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 30TH APRIL 2014

	Current Year Ended 30-Apr-14 RM'000	Preceding Year Ended 30-Apr-13 RM'000
Cash flows from operating activities		
Profit before tax	7,472	3,629
Adjustments for:		
Non-cash items	2,884	2,977
Non-operating items	193	287
Operating profit before working capital changes	<u>10,549</u>	<u>6,893</u>
Changes in working capital:		
Inventories	510	2,622
Trade and other receivables	(243)	2,287
Trade and other payables	17	(1,851)
Cash generated from operations	<u>10,833</u>	<u>9,951</u>
Interest received	144	96
Interest paid	(339)	(383)
Tax paid	(1,925)	(271)
Net cash from operating activities	<u>8,713</u>	<u>9,393</u>
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	305	2,053
Purchase of property, plant & equipment and development expenditure	(1,572)	(795)
Net cash used in investing activities	<u>(1,267)</u>	<u>1,258</u>
Cash flows from financing activities		
Purchase of treasury shares	(163)	(80)
Net movement in trade bills	946	(3,202)
Repayment of term loan	(292)	(270)
Repayment of finance leases	(422)	(216)
Dividend paid	(2,391)	-
Net cash used in financing activities	<u>(2,322)</u>	<u>(3,768)</u>
Net increase in cash and cash equivalents	5,124	6,883
Cash and cash equivalents as at beginning of financial year	10,637	3,754
Cash and cash equivalents at end of financial period	<u>15,761</u>	<u>10,637</u>
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	15,761	10,637
Overdraft	-	-
	<u>15,761</u>	<u>10,637</u>

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 30 April 2014, Superlon Holdings Berhad ("SHB") bought back from the open market 200,000 SHB shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.66 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 30 April 2014, including transaction cost, was RM132,571 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 30 April 2014, the number of treasury shares held in hand amounted to 484,079 ordinary shares of RM0.50 each, at an average buy-back price of RM0.53 per share.

A8. DIVIDEND PAID

On 20 December 2013, 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 interim single-tier dividend was paid on 7 March 2014 to shareholders whose names appeared on the company's Record of Depositors on 18 February 2014.

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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>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	14,937	12,739	54,156	53,271
- Trading	1,855	1,424	7,631	5,604
- Steel Pipes	-	-	-	1,084
	<u>16,792</u>	<u>14,163</u>	<u>61,787</u>	<u>59,959</u>
Profit before tax				
- Manufacturing	1,310	309	7,454	4,143
- Trading	44	30	402	186
- Steel Pipes	-	-	-	(243)
	<u>1,354</u>	<u>339</u>	<u>7,856</u>	<u>4,086</u>
Less : Unallocated corporate cost	<u>(100)</u>	<u>(127)</u>	<u>(384)</u>	<u>(457)</u>
	<u>1,254</u>	<u>212</u>	<u>7,472</u>	<u>3,629</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 RM16.8 million was higher by RM2.6 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 RM0.2 million during the same quarter of previous year

The insulation division recorded revenue and profit before tax of RM14.9 million (2013:RM12.7 million) and RM1.3 million (2013:RM0.3 million) respectively. The profit before tax from insulation division has increased mainly due to lower cost of material and favourable foreign exchange rate.

Revenue for the trading division of RM1.9 million (2013:RM1.4 million) was higher by RM0.5 million due to the increase sale of copper pipe to local customers. The trading division profit before tax in current quarter has marginally increased to RM0.04 million compared to RM0.03 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 15% to RM16.8 million as compared to RM14.6 million in the preceding quarter.

The group registered a profit before tax of RM1.3 million in the current quarter as compared to RM1.5 million in the preceding quarter. Profit after tax of the Group has remained consistent with preceding quarter at RM1.5 million.

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 30 April 2015.

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
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation				
-Current tax expense	334	26	1,749	456
-Under/(over) provision	(2)	2	(65)	(28)
Deferred tax expenses	(170)	(852)	(63)	(800)
	<u>162</u>	<u>(824)</u>	<u>1,621</u>	<u>(372)</u>

The tax expense for the current quarter ended 30 April 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 30 April 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:

<u>Secured</u>	Current Year Quarter	
	30-Apr-14	
	Short Term	Long Term
	RM'000	RM'000
Bank borrowings		
- Trade Facility	2,628	-
- Term Loan	311	1,767
Finance leases	333	1,035
	<u>3,272</u>	<u>2,802</u>

B10. OUSTANDING DERIVATIVES

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

As at 30 April 2014, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter	
	30-Apr-14	
	Fair Value	Gain/ (Loss) from
		Change in Fair Value
		Assets/(Liabilities)
	RM'000	RM'000
Foreign exchange contract		
-Less than 1 year	327	(11)

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 is computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 30-Apr-14 RM'000	Preceding Year Corresponding Quarter 30-Apr-13 RM'000	Current Year To Date 30-Apr-14 RM'000	Preceding Year Corresponding Period 30-Apr-13 RM'000
Profit attributable to owners of the Parent (RM '000)	1,092	1,036	5,851	4,098
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	79,743	78,891	79,743	78,891
Basic earnings per share (sen)	1.37	1.31	7.34	5.19

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 30 April 2014, into realised and unrealised profits, is as follows :

	Current Year Quarter 30-Apr-14 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	32,091
-Unrealised loss	(1,822)
	<hr/> 30,269
Less : Consolidation adjustments	(12,384)
	<hr/> <hr/> 17,885

By Order of the Board

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

Kuala Lumpur
26 June 2014