

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31ST JULY 2014

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-14 RM'000	Preceding Year Corresponding Quarter 31-Jul-13 RM'000	Current Year To Date 31-Jul-14 RM'000	Preceding Year Corresponding Quarter 31-Jul-13 RM'000
Revenue	17,208	15,877	17,208	15,877
Cost of sales	(12,617)	(11,561)	(12,617)	(11,561)
Gross profit	4,591	4,316	4,591	4,316
Other income	162	976	162	976
Selling & distribution expenses	(1,492)	(1,161)	(1,492)	(1,161)
Administrative expenses	(1,418)	(1,100)	(1,418)	(1,100)
Other operating expenses	(149)	(68)	(149)	(68)
Finance costs	(159)	(133)	(159)	(133)
Profit before tax	1,535	2,830	1,535	2,830
Income tax expense	(415)	(967)	(415)	(967)
Profit for the period	<u>1,120</u>	<u>1,863</u>	<u>1,120</u>	<u>1,863</u>
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	<u>1,120</u>	<u>1,863</u>	<u>1,120</u>	<u>1,863</u>
Profit attributable to :				
Owners of the Parent	1,120	1,863	1,120	1,863
Non-Controlling Interest	-	-	-	-
	<u>1,120</u>	<u>1,863</u>	<u>1,120</u>	<u>1,863</u>
Total comprehensive income attributable to :				
Owners of the Parent	1,120	1,863	1,120	1,863
Non-Controlling Interest	-	-	-	-
	<u>1,120</u>	<u>1,863</u>	<u>1,120</u>	<u>1,863</u>
Basic earnings per share (sen)	<u>1.41</u>	<u>2.33</u>	<u>1.41</u>	<u>2.33</u>

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2014 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 JULY 2014

	Current Quarter 31-Jul-14 RM'000	Audited 30-Apr-14 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	32,768	33,437
Intangible asset	2,124	2,147
Other investment	47	47
Other receivables	-	-
Defer tax assets	649	649
	<u>35,588</u>	<u>36,280</u>
Current assets		
Inventories	10,890	11,406
Trade and other receivables	7,096	8,660
Prepayment and other assets	868	900
Derivative asset	-	-
Deposit, cash and bank balances	20,879	15,761
	<u>39,733</u>	<u>36,727</u>
TOTAL ASSETS	<u><u>75,321</u></u>	<u><u>73,007</u></u>
<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	(313)	(255)
Retained profits	19,004	17,884
Total Equity	<u>60,124</u>	<u>59,062</u>
Non-current liabilities		
Bank borrowings	1,690	1,767
Finance leases	950	1,035
Deferred tax liability	2,513	2,507
	<u>5,153</u>	<u>5,309</u>
Current liabilities		
Bank borrowings	3,839	2,939
Trade and other payables	5,862	5,352
Derivative liabilities	5	11
Finance leases	333	333
Current tax payable	5	1
	<u>10,044</u>	<u>8,636</u>
TOTAL EQUITY AND LIABILITIES	<u><u>75,321</u></u>	<u><u>73,007</u></u>
Net assets per ordinary share attributable to Owners of Parents (sen)	<u>75.70</u>	<u>74.28</u>

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 2014 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 FINANCIAL PERIOD ENDED 31ST JULY 2014

	Attributable to Owners of the Parent			Distributable Retained Profit RM'000	Total Equity RM'000
	Non-Distributable Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000		
Balance as at 1 May 2013	40,000	1,433	(92)	14,425	55,766
Profit for the period	-	-	-	1,863	1,863
Share buy back	-	-	-	-	-
Distribution of dividend	-	-	-	-	-
Balance as at 31 July 2013	<u>40,000</u>	<u>1,433</u>	<u>(92)</u>	<u>16,288</u>	<u>57,629</u>

	Attributable to Owners of the Parent			Distributable Retained Profit RM'000	Total Equity RM'000
	Non-Distributable Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000		
Balance as at 1 May 2014	40,000	1,433	(255)	17,884	59,062
Profit for the period	-	-	(58)	1,120	1,062
Share buy back	-	-	-	-	-
Distribution of dividend	-	-	-	-	-
Balance as at 31 July 2014	<u>40,000</u>	<u>1,433</u>	<u>(313)</u>	<u>19,004</u>	<u>60,124</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 2014 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 JULY 2014

	Current Year End 31-Jul-14 RM'000	Preceding Year End 31-Jul-13 RM'000
Cash flows from operating activities		
Profit before tax	1,535	2,830
Adjustment for :		
Non-cash items	703	248
Non-operating items	53	61
	<hr/>	<hr/>
Operating profit before working capital changes	2,291	3,139
Changes in working capital		
Inventories	516	1,226
Trade and other receivables	1,698	(444)
Trade and other payables	506	(540)
	<hr/>	<hr/>
Cash generated from / (used) in operations	5,011	3,381
Interest paid	(88)	(81)
Interest received	35	21
Tax paid	(406)	(184)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	4,552	3,137
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	3	220
Purchase of property, plant & equipment and development expenditure	(118)	(232)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	(115)	(12)
Cash flows from financing activities		
Purchase of treasury shares	(57)	-
Net movement in trade bills	899	174
Repayment of term loan	(76)	(70)
Repayment of finance leases	(85)	(253)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	681	(149)
Net increase in cash and cash equivalents	5,118	2,976
Cash and cash equivalents as at beginning of financial year	15,761	10,637
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	20,879	13,613
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	20,879	13,613
Overdraft	-	-
	<hr/>	<hr/>
	20,879	13,613
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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 2014 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 2014. 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 2014.

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 2014 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 2014 :

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective date
MFRS 9 (2009) : Financial Instruments	} To be announced by MASB
MFRS 9 (2010) : Financial Instrument	
MFRS 9 : Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	
Amendments to MFRS 9 and MFRS 7 : Mandatory Effective Date of MFRS 9 and Transition Disclosures	
MFRS 14 : Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) : Investment Entities	1 January 2014
Amendments to MFRS 11 : Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119 : Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136 : Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139 : Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 : Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2014 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2014.

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2014 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.

During the financial quarter ended 31 July 2014, Superlon Holdings Berhad ("SHB") bought back from the open market 90,000 SHB shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.64 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 31 July 2014, including transaction cost, was RM57,713 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 July 2014, the number of treasury shares held in hand amounted to 574,079 ordinary shares of RM0.50 each, at an average buy-back price of RM0.54 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.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-14	Preceding Year Corresponding Quarter 31-Jul-13	Current Year To Date 31-Jul-14	Preceding Year Corresponding Quarter 31-Jul-13
Revenue				
- Manufacturing	15,214	14,029	15,214	14,029
- Trading	1,994	1,848	1,994	1,848
	<u>17,208</u>	<u>15,877</u>	<u>17,208</u>	<u>15,877</u>
Profit before tax				
- Manufacturing	1,574	2,760	1,574	2,760
- Trading	35	140	35	140
	<u>1,609</u>	<u>2,900</u>	<u>1,609</u>	<u>2,900</u>
Less : Unallocated corporate cost	(74)	(70)	(74)	(70)
	<u>1,535</u>	<u>2,830</u>	<u>1,535</u>	<u>2,830</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 RM17.2 million was higher by RM1.3 million as compared to the same quarter of previous year.

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

The insulation division recorded revenue and profit before tax of RM15.2 million (2014:RM14 million) and RM1.6 million (2014:RM2.8 million) respectively. A higher profit before tax for the same quarter in previous year was recorded due to gain on foreign exchange and gain on disposal of property, plant & equipment.

Revenue for the trading division of RM2 million (2014:RM1.8 million) was higher by RM0.2 million due to the increased sales of copper pipes to local customers. The trading division profit before tax in current quarter has decreased to RM0.04 million compared to RM0.14 million during the same quarter of previous year as margins narrowed due to competition in the industry.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 2% to RM17.2 million as compared to RM16.8 million in the preceding quarter.

The group registered a profit before tax of RM1.5 million in the current quarter as compared to RM1.3 million in the preceding quarter. Profit after tax of the Group has remained consistent with preceding quarter at RM1.1 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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jul-14 RM'000	Preceding Year Corresponding Quarter 31-Jul-13 RM'000	Current Year To Date 31-Jul-14 RM'000	Preceding Year Corresponding Quarter 31-Jul-13 RM'000
Malaysia Taxation				
- Current tax expenses	409	617	409	617
- Deferred tax expenses	6	350	6	350
- Under / (over) provision	-	-	-	-
	<u>415</u>	<u>967</u>	<u>415</u>	<u>967</u>

The tax expense for the current quarter ended 31 July 2014 is derived based on statutory current tax rate of 25% (YA2015) 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 July 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:

	Current Year Quarter 31-Jul-14	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	3,527	-
- Term Loan	312	1,690
Finance leases	333	950
	4,172	2,640
	4,172	2,640

B10. OUSTANDING DERIVATIVES

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

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

	Current Year Quarter 31-Jul-14	
Type of Derivative	Fair Value 31-Jul-14 RM'000	Gain / (Loss) from Change in Fair Value of Assets / (Liabilities) 31-Jul-14 RM'000
Foreign exchange contract		
- Less than 1 year	318	(5)

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

The Board of Directors proposed a final tax-exempt single-tier dividend of 4.0% equivalent to 2.00 sen per ordinary share in respect of the financial year ended 30 April 2014. 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 2015.

B13. EARNINGS PER SHARE ("EPS")

The basic EPS is computed as following:

	Current Year	Preceding Year	Current Year	Year
	Quarter	Corresponding	Quarter	Corresponding
	31-Jul-14	31-Jul-13	31-Jul-14	31-Jul-13
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parent	1,120	1,863	1,120	1,863
Weighted average number of ordinary shares of RM0.50 in issue ('000)	79,431	79,786	79,431	79,786
Basic earnings per share (sen)	1.41	2.33	1.41	2.33

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

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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B.14 REALISED AND UNREALISED RETAINED PROFITS

The breakdown of the retained earnings of the Group as at 31 July 2014, into realised and unrealised profits, is as follows :

	Current Year Quarter 31-Jul-14 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	33,157
-Unrealised loss	(1,773)
	<hr/>
	31,384
Less : Consolidation adjustments	(12,380)
	<hr/>
	<u>19,004</u>

By Order of the Board

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

Kuala Lumpur
18 September 2014