

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 31ST OCTOBER 2014

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Oct-14 RM'000	Preceding Year Corresponding Quarter 31-Oct-13 RM'000	Current Year To Date 31-Oct-14 RM'000	Preceding Year Corresponding Quarter 31-Oct-13 RM'000
Revenue	17,109	14,539	34,318	30,416
Cost of sales	(11,577)	(10,064)	(24,193)	(21,625)
Gross profit	5,532	4,475	10,125	8,791
Other income	435	193	534	864
Selling & distribution expenses	(1,289)	(1,256)	(2,781)	(2,418)
Administrative expenses	(1,544)	(1,095)	(2,962)	(2,195)
Other operating expenses	(13)	(275)	(100)	(37)
Finance costs	(156)	(135)	(316)	(269)
Profit before tax	2,965	1,907	4,500	4,736
Income tax expense	(884)	(272)	(1,299)	(1,239)
Profit for the period	<u>2,081</u>	<u>1,635</u>	<u>3,201</u>	<u>3,497</u>
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,081</u>	<u>1,635</u>	<u>3,201</u>	<u>3,497</u>
Profit attributable to :				
Owners of the Parent	2,081	1,635	3,201	3,497
Non-Controlling Interest	-	-	-	-
	<u>2,081</u>	<u>1,635</u>	<u>3,201</u>	<u>3,497</u>
Total comprehensive income attributable to :				
Owners of the Parent	2,081	1,635	3,201	3,497
Non-Controlling Interest	-	-	-	-
	<u>2,081</u>	<u>1,635</u>	<u>3,201</u>	<u>3,497</u>
Basic earnings per share (sen)	<u>2.62</u>	<u>2.05</u>	<u>4.03</u>	<u>4.38</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 OCTOBER 2014

	Current Quarter 31-Oct-14 RM'000	Audited 30-Apr-14 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	32,922	33,437
Intangible asset	2,011	2,147
Other investment	47	47
Other receivables	-	-
Defer tax assets	649	649
	<u>35,629</u>	<u>36,280</u>
Current assets		
Inventories	12,630	11,406
Trade and other receivables	7,897	8,660
Prepayment and other assets	1,089	900
Derivative asset	-	-
Deposit, cash and bank balances	18,864	15,761
	<u>40,480</u>	<u>36,727</u>
TOTAL ASSETS	<u><u>76,109</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	(323)	(255)
Retained profits	21,085	17,884
Total Equity	<u>62,195</u>	<u>59,062</u>
Non-current liabilities		
Loan and borrowings	2,476	2,802
Deferred tax liability	2,643	2,507
	<u>5,119</u>	<u>5,309</u>
Current liabilities		
Loan and borrowings	2,971	3,272
Trade and other payables	5,461	5,352
Derivative liabilities	10	11
Current tax payable	353	1
	<u>8,795</u>	<u>8,636</u>
TOTAL EQUITY AND LIABILITIES	<u><u>76,109</u></u>	<u><u>73,007</u></u>
Net assets per ordinary share attributable to Owners of Parents (sen)	<u>78.32</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)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL PERIOD ENDED 31ST OCTOBER 2014

	Attributable to Owners of the Parent			Distributable	Total
	Non-Distributable		Treasury	Retained	Equity
	Share	Share	Share	Profit	
	Capital	Premium			
	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)
Distribution of dividend	-	-	-	-	-
Balance as at 31 October 2013	<u>40,000</u>	<u>1,433</u>	<u>(113)</u>	<u>17,922</u>	<u>59,242</u>

	Attributable to Owners of the Parent			Distributable	Total
	Non-Distributable		Treasury	Retained	Equity
	Share	Share	Share	Profit	
	Capital	Premium			
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 May 2014	40,000	1,433	(255)	17,884	59,062
Profit for the period	-	-	(68)	3,201	3,133
Share buy back	-	-	-	-	-
Distribution of dividend	-	-	-	-	-
Balance as at 31 October 2014	<u>40,000</u>	<u>1,433</u>	<u>(323)</u>	<u>21,085</u>	<u>62,195</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 OCTOBER 2014

	Current Year End 31-Oct-14 RM'000	Preceding Year End 31-Oct-13 RM'000
Cash flows from operating activities		
Profit before tax	4,500	4,736
Adjustment for :		
Non-cash items	1,331	1,239
Non-operating items	92	118
	<hr/>	<hr/>
Operating profit before working capital changes	5,923	6,093
Changes in working capital		
Inventories	(1,224)	1,232
Trade and other receivables	794	176
Trade and other payables	107	(1,939)
	<hr/>	<hr/>
Cash generated from / (used) in operations	5,600	5,562
Interest paid	(176)	(159)
Interest received	83	41
Tax paid	(811)	(300)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<u>4,696</u>	<u>5,144</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	1	232
Purchase of property, plant & equipment and development expenditure	(900)	(464)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<u>(899)</u>	<u>(232)</u>
Cash flows from financing activities		
Purchase of treasury shares	(67)	(21)
Net movement in trade bills	(308)	(63)
Repayment of term loan	(152)	(327)
Repayment of finance leases	(167)	(142)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<u>(694)</u>	<u>(553)</u>
Net increase in cash and cash equivalents	3,103	4,359
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	<u>18,864</u>	<u>14,996</u>
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	18,864	14,996
Overdraft	-	-
	<hr/>	<hr/>
	<u>18,864</u>	<u>14,996</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 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.

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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 October 2014, Superlon Holdings Berhad ("SHB") bought back from the open market 15,000 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 31 October 2014, including transaction cost, was RM9,871 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 2014, the number of treasury shares held in hand amounted to 589,079 ordinary shares of RM0.50 each, at an average buy-back price of RM0.55 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-Oct-14	Preceding Year Corresponding Quarter 31-Oct-13	Current Year To Date 31-Oct-14	Preceding Year Corresponding Quarter 31-Oct-13
Revenue				
- Manufacturing	15,627	12,655	30,842	26,683
- Trading	1,482	1,884	3,476	3,733
	<u>17,109</u>	<u>14,539</u>	<u>34,318</u>	<u>30,416</u>
Profit before tax				
- Manufacturing	3,009	1,932	4,582	4,691
- Trading	50	71	85	211
	<u>3,059</u>	<u>2,003</u>	<u>4,667</u>	<u>4,902</u>
Less : Unallocated corporate cost	(94)	(96)	(167)	(166)
	<u>2,965</u>	<u>1,907</u>	<u>4,500</u>	<u>4,736</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 RM17.1 million was higher by RM2.6 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM3 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 RM15.6 million (FY 2014:RM12.7 million) and RM3 million (FY 2014:RM1.9 million) respectively. A higher profit before tax for the same quarter in current year was recorded due to increased in total gross profit contributed from higher revenue recorded.

Revenue for the trading division of RM1.5 million (FY 2014:RM1.9 million) was lower by RM0.4 million due to the decreased sales of copper pipes to local customers. The trading division profit before tax in current quarter has marginally decreased to RM0.05 million compared to RM0.07 million during the same quarter of previous year.

The Group registered a profit before taxation of RM4.5 million for the current year-to-date compared to RM4.7 million for the previous year-to-date due to increases in selling & distribution expenses and administration expenses.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has decreased by 0.6% to RM17.1 million as compared to RM17.2 million in the preceding quarter.

The group registered a profit before tax of RM3 million in the current quarter as compared to RM1.5 million in the preceding quarter. Profit after tax of the Group has increased by RM1 million to RM2.1 million as compared to the preceding quarter.

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.

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B5. TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Oct-14 RM'000	Preceding Year Corresponding Quarter 31-Oct-13 RM'000	Current Year To Date 31-Oct-14 RM'000	Preceding Year Corresponding Quarter 31-Oct-13 RM'000
Malaysia Taxation				
- Current tax expenses	754	583	1,163	1,200
- Deferred tax expenses	130	(311)	136	39
- Under / (over) provision	-	-	-	-
	884	272	1,299	1,239
	884	272	1,299	1,239

The tax expense for the current quarter ended 31 October 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.

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 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-Oct-14	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	2,320	-
- Term Loan	318	1,608
Finance leases	333	868
	2,971	2,476
	2,971	2,476

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B10. OUSTANDING DERIVATIVES

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

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

Type of Derivative	Current Year Quarter 31-Oct-14	
	Fair Value 31-Oct-14 RM'000	Gain / (Loss) from Change in Fair Value of Assets / (Liabilities) 31-Oct-14 RM'000
Foreign exchange contract - Less than 1 year	329	(10)

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

On even date, the Board of Directors has approved and declared the following single-tier dividends :-

- a) an interim dividend of 2 sen per ordinary share of RM0.50 each (FY 2014 Interim : 2 sen) ; and
 - b) a special dividend of 4 sen per ordinary share of RM0.50 each (FY 2014 Special : Nil),
- for the financial year ending 30 April 2015. The Books Closure Date and Payment Date will be announced in due course.

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B13. EARNINGS PER SHARE (“EPS”)

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Oct-14 RM'000	Preceding Year Corresponding Quarter 31-Jul-13 RM'000	Current Year Quarter 31-Oct-14 RM'000	Year Corresponding Quarter 31-Oct-13 RM'000
Profit attributable to owners of the Parent	2,081	1,635	3,201	3,497
Weighted average number of ordinary shares of RM0.50 in issue ('000)	79,428	79,775	79,428	79,775
Basic earnings per share (sen)	2.62	2.05	4.03	4.38

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

B.14 REALISED AND UNREALISED RETAINED PROFITS

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

	Current Year Quarter 31-Oct-14 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	35,177
-Unrealised loss	(1,715)
	<hr/> 33,462
Less : Consolidation adjustments	(12,377)
	<hr/> <hr/> 21,085

By Order of the Board

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

Kuala Lumpur
18 December 2014