

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31ST JANUARY 2015

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-15 RM'000	Preceding Year Corresponding Quarter 31-Jan-14 RM'000	Current Year To Date 31-Jan-15 RM'000	Preceding Year Corresponding Quarter 31-Jan-14 RM'000
Revenue	19,320	14,578	53,637	44,995
Cost of sales	(12,767)	(10,211)	(36,959)	(31,837)
Gross profit	6,553	4,367	16,678	13,158
Other income	899	667	1,262	1,531
Selling & distribution expenses	(1,367)	(1,051)	(4,148)	(3,469)
Administrative expenses	(1,716)	(1,888)	(4,678)	(4,083)
Other operating expenses	(318)	(465)	(248)	(502)
Finance costs	(149)	(149)	(464)	(417)
Profit before tax	3,902	1,481	8,402	6,218
Income tax expense	(963)	(219)	(2,262)	(1,458)
Profit for the period	<u>2,939</u>	<u>1,262</u>	<u>6,140</u>	<u>4,760</u>
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>2,939</u>	<u>1,262</u>	<u>6,140</u>	<u>4,760</u>
Profit attributable to :				
Owners of the Parent	2,939	1,262	6,140	4,760
Non-Controlling Interest	-	-	-	-
	<u>2,939</u>	<u>1,262</u>	<u>6,140</u>	<u>4,760</u>
Total comprehensive income attributable to :				
Owners of the Parent	2,939	1,262	6,140	4,760
Non-Controlling Interest	-	-	-	-
	<u>2,939</u>	<u>1,262</u>	<u>6,140</u>	<u>4,760</u>
Basic earnings per share (sen)	<u>3.70</u>	<u>1.58</u>	<u>7.73</u>	<u>5.97</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 JANUARY 2015

	Current Quarter 31-Jan-15 RM'000	Audited 30-Apr-14 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	32,890	33,437
Intangible asset	1,930	2,147
Other investment	47	47
Other receivables	-	-
Defer tax assets	649	649
	<u>35,516</u>	<u>36,280</u>
Current assets		
Inventories	11,954	11,406
Trade and other receivables	7,487	8,660
Prepayment and other assets	2,205	900
Deposit, cash and bank balances	19,579	15,761
	<u>41,225</u>	<u>36,727</u>
TOTAL ASSETS	<u><u>76,741</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	22,436	17,884
Total Equity	<u>63,546</u>	<u>59,062</u>
Non-current liabilities		
Loan and borrowings	2,308	2,802
Deferred tax liability	2,705	2,507
	<u>5,013</u>	<u>5,309</u>
Current liabilities		
Loan and borrowings	2,409	3,272
Trade and other payables	5,041	5,352
Derivative liabilities	28	11
Current tax payable	704	1
	<u>8,182</u>	<u>8,636</u>
TOTAL EQUITY AND LIABILITIES	<u><u>76,741</u></u>	<u><u>73,007</u></u>
Net assets per ordinary share attributable to Owners of Parents (sen)	<u>80.02</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 JANUARY 2015

	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	-	-	-	4,760	4,760
Share buy back	-	-	(31)	-	(31)
Distribution of dividend	-	-	-	(1,395)	(1,395)
Balance as at 31 January 2014	<u>40,000</u>	<u>1,433</u>	<u>(123)</u>	<u>17,790</u>	<u>59,100</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	-	-	-	6,140	6,140
Share buy back	-	-	(68)	-	(68)
Distribution of dividend	-	-	-	(1,588)	(1,588)
Balance as at 31 January 2015	<u>40,000</u>	<u>1,433</u>	<u>(323)</u>	<u>22,436</u>	<u>63,546</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 JANUARY 2015

	Current Year Endend 31-Jan-15 RM'000	Preceding Year Endend 31-Jan-14 RM'000
Cash flows from operating activities		
Profit before tax	8,402	6,217
Adjustment for :		
Non-cash items	2,223	1,768
Non-operating items	95	167
	<hr/>	<hr/>
Operating profit before working capital changes	10,720	8,152
Changes in working capital		
Inventories	(547)	935
Trade and other receivables	15	(156)
Trade and other payables	(290)	(1,238)
	<hr/>	<hr/>
Cash generated from / (used) in operations	9,898	7,693
Interest paid	(249)	(249)
Interest received	154	82
Tax paid	(1,361)	(822)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<u>8,442</u>	<u>6,704</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	9	296
Purchase of property, plant & equipment and development expenditure	(1,620)	(1,437)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<u>(1,611)</u>	<u>(1,141)</u>
Cash flows from financing activities		
Purchase of treasury shares	(67)	(31)
Net movement in trade bills	(879)	853
Repayment of term loan	(249)	(253)
Repayment of finance leases	(230)	(345)
Dividend paid	(1,588)	(1,395)
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<u>(3,013)</u>	<u>(1,171)</u>
Net increase in cash and cash equivalents	3,818	4,392
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>19,579</u>	<u>15,029</u>
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	19,579	15,029
	<hr/>	<hr/>
	<u>19,579</u>	<u>15,029</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.

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.

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 2015, 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

At the Annual General Meeting held on 16 October 2014, the shareholders has approved a final single-tier dividend of 4% equivalent to 2.00 sen per ordinary share in respect of financial year ended 30 April 2014. The final dividend was paid on 28 November 2014 to shareholders whose name appeared on the company's Record of Depositors on 10 November 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.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>To Date</u>	<u>Corresponding</u>
	<u>31-Jan-15</u>	<u>31-Jan-14</u>	<u>31-Jan-15</u>	<u>31-Jan-14</u>
Revenue				
- Manufacturing	17,567	12,535	48,408	39,219
- Trading	1,753	2,043	5,229	5,776
	<u>19,320</u>	<u>14,578</u>	<u>53,637</u>	<u>44,995</u>
Profit before tax				
- Manufacturing	3,916	1,432	8,499	6,144
- Trading	61	167	146	358
	<u>3,977</u>	<u>1,599</u>	<u>8,645</u>	<u>6,502</u>
Less : Unallocated corporate cost	(75)	(118)	(243)	(284)
	<u>3,902</u>	<u>1,481</u>	<u>8,402</u>	<u>6,218</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 RM19.3 million was higher by RM4.7 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM3.9 million in the current quarter as compared to RM1.5 million during the same quarter of previous year

The manufacturing division recorded revenue and profit before tax of RM17.6 million (FY 2014:RM12.5 million) and RM3.9 million (FY 2014:RM1.4 million) respectively. A higher profit before tax for the same quarter in current year was recorded due to improved gross margin and increased in total gross profit contributed from higher revenue recorded.

Revenue for the trading division of RM1.8 million (FY 2014:RM2.0 million) was lower by RM0.2 million due to the decreased sales of copper pipes to local customers. The trading division profit before tax in current quarter has decreased to RM0.06 million compared to RM0.17 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 13% to RM19.3 million as compared to RM17.1 million in the preceding quarter.

The group registered a profit before tax of RM3.9 million in the current quarter as compared to RM2.9 million in the preceding quarter. Profit after tax of the Group has increased by RM0.8 million to RM2.9 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-Jan-15 RM'000	Preceding Year Corresponding Quarter 31-Oct-13 RM'000	Current Year To Date 31-Jan-15 RM'000	Preceding Year Corresponding Quarter 31-Jan-14 RM'000
Malaysia Taxation :				
Current tax expenses	901	215	2,063	1,415
Deferred tax expenses	62	67	199	106
Under / (over) provision in prior year				
- Current tax expenses	-	(63)	-	(63)
	<u>963</u>	<u>219</u>	<u>2,262</u>	<u>1,458</u>

The tax expense for the current quarter ended 31 January 2015 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 January 2015.

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-Jan-15	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	1,749	-
- Term Loan	325	1,524
Finance leases	335	784
	<u>2,409</u>	<u>2,308</u>

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B10. OUSTANDING DERIVATIVES

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

As at 31 January 2015, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter	
	31-Jan-15	
	Fair Value	Gain / (Loss) from
	31-Jan-15	Change in Fair Value
	RM'000	of Assets / (Liabilities)
		31-Jan-15
		RM'000
Foreign exchange contract		
- Less than 1 year	253	(29)

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

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

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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B13. EARNINGS PER SHARE (“EPS”)

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Jan-15 RM'000	Preceding Year Corresponding Quarter 31-Jan-14 RM'000	Current Year Quarter 31-Jan-15 RM'000	Year Corresponding Quarter 31-Jan-14 RM'000
Profit attributable to owners of the Parent	2,939	1,262	6,140	4,760
Weighted average number of ordinary shares of RM0.50 in issue ('000)	79,422	79,756	79,422	79,756
Basic earnings per share (sen)	3.70	1.58	7.73	5.97

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 January 2015, into realised and unrealised profits, is as follow :

	Current Year Quarter 31-Jan-15 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	36,668
-Unrealised loss	(1,858)
	<u>34,810</u>
Less : Consolidation adjustments	(12,374)
	<u><u>22,436</u></u>

By Order of the Board

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

Kuala Lumpur
12 March 2015