

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 31ST OCTOBER 2015

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Oct-15 RM'000	Preceding Year Corresponding Quarter 31-Oct-14 RM'000	Current Year To Date 31-Oct-15 RM'000	Preceding Year To Date 31-Oct-14 RM'000
Revenue	22,357	17,109	44,463	34,318
Cost of sales	(13,834)	(11,577)	(27,808)	(24,193)
Gross profit	8,523	5,532	16,655	10,125
Other income	1,185	435	1,789	534
Selling & distribution expenses	(1,446)	(1,289)	(3,175)	(2,781)
Administrative expenses	(2,049)	(1,544)	(4,128)	(2,962)
Other operating expenses	(311)	(13)	(191)	(100)
Finance costs	(52)	(156)	(102)	(316)
Profit before tax	5,850	2,965	10,848	4,500
Income tax expense	(1,052)	(884)	(2,194)	(1,299)
Profit for the period	4,798	2,081	8,654	3,201
Other comprehensive income :	-	-	-	-
Total comprehensive income for the period	4,798	2,081	8,654	3,201
Profit attributable to :				
Owners of the Company	4,798	2,081	8,654	3,201
Non-Controlling Interest	-	-	-	-
	4,798	2,081	8,654	3,201
Total comprehensive income attributable to :				
Owners of the Company	4,798	2,081	8,654	3,201
Non-Controlling Interest	-	-	-	-
	4,798	2,081	8,654	3,201
Basic earnings per share (sen)	6.04	2.62	10.90	4.03

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2015 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 2015

	As At 31-Oct-15 RM'000	Audited As At 30-Apr-15 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	55,419	54,655
Intangible asset	1,720	1,850
Other investment	47	47
Deferred tax assets	581	637
	<u>57,767</u>	<u>57,189</u>
Current assets		
Inventories	12,281	11,679
Trade receivables	9,379	10,928
Other receivables, prepayment and other assets	1,679	1,931
Deposit with licensed bank	13,225	9,416
Bank & cash balances	10,170	6,282
	<u>46,734</u>	<u>40,236</u>
TOTAL ASSETS	<u><u>104,501</u></u>	<u><u>97,425</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	(340)	(329)
Revaluation reserves	17,803	17,924
Retained profits	28,099	20,912
	<u>86,995</u>	<u>79,940</u>
Total Equity	<u>86,995</u>	<u>79,940</u>
Non-current liabilities		
Loan and borrowings	1,791	2,137
Deferred tax liability	4,585	4,742
	<u>6,376</u>	<u>6,879</u>
Current liabilities		
Loan and borrowings	3,252	1,895
Trade payables	2,008	3,398
Other payables and accruals	3,672	4,475
Tax payable	2,198	838
	<u>11,130</u>	<u>10,606</u>
TOTAL EQUITY AND LIABILITIES	<u><u>104,501</u></u>	<u><u>97,425</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u>109.57</u>	<u>100.67</u>

Note:

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 April 2015 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 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 2014	40,000	1,433	(255)	17,884	59,062	
Profit for the period	-	-	-	3,201	3,201	
Share buy back	-	-	(68)	-	(68)	
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>	
	Attributable to Owners of the Parent			Revaluation Reserve RM'000	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 2015	40,000	1,433	(329)	17,924	20,912	79,940
Profit for the period	-	-	-	-	8,654	8,654
Realisation of revaluation surplus	-	-	-	(121)	121	-
Share buy back	-	-	(11)	-	-	(11)
Distribution of dividend	-	-	-	-	(1,588)	(1,588)
Balance as at 31 October 2015	<u>40,000</u>	<u>1,433</u>	<u>(340)</u>	<u>17,803</u>	<u>28,099</u>	<u>86,995</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 2015 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 2015

	Current Year 6 Months Ended 31-Oct-15 RM'000	Preceding Year 6 Months Ended 31-Oct-14 RM'000
Cash flows from operating activities		
Profit before tax	10,848	4,500
Adjustment for :		
Non-cash items	2,200	1,331
Non-operating items	(101)	92
	<hr/>	<hr/>
Operating profit before working capital changes	12,947	5,923
Changes in working capital		
Inventories	(946)	(1,224)
Trade and other receivables	1,891	794
Trade and other payables	(2,206)	107
	<hr/>	<hr/>
Cash generated from / (used) in operations	11,686	5,600
Interest paid	(102)	(176)
Interest received	203	83
Tax paid	(931)	(811)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	10,856	4,696
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	60	1
Purchase of property, plant & equipment and development expenditure	(2,631)	(900)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	(2,571)	(899)
	<hr/>	<hr/>
Cash flows from financing activities		
Purchase of treasury shares	(11)	(67)
Net movement in trade bills	1,344	(308)
Repayment of term loan	(164)	(152)
Repayment of finance leases	(169)	(167)
Dividend paid	(1,588)	-
	<hr/>	<hr/>
Net cash from / (used in) financing activities	(588)	(694)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	7,697	3,103
Cash and cash equivalents as at beginning of financial year	15,698	15,761
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Cash and cash equivalents as at end of period	23,395	18,864
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Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	23,395	18,864
	<hr/>	<hr/>
	23,395	18,864
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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 2015 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 2015. 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 2015.

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 2015 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 2015 :

MFRSs and IC Interpretations (including the Consequential Amendments)	Effective date
MFRS 9 : Financial Instrument (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 : Revenue from Contracts with Customer	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011) : Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011) : Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138 : Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141 : Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119 : Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011) : Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2015 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2015.

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 2015 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 2015, Superlon Holdings Berhad ("SHB") bought back from the open market 6,000 SHB share listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM1.75 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 31 October 2015, including transaction cost, was RM10,570.86 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 2015, the number of treasury shares held in hand amounted to 600,079 ordinary shares of RM0.50 each, at an average buy-back price of RM0.57 per share.

A8. DIVIDEND PAID

On 25 June 2015, the Board of Directors has approved and declared an interim single-tier dividend of 2 sen per ordinary share of RM0.50 each for the financial year ending 30 April 2016. The interim single-tier dividend was paid on 6 August 2015 to shareholders whose names appeared on the company's Record of Depositors on 22 July 2015.

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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-15	Preceding Year Corresponding Quarter 31-Oct-14	Current Year To Date 31-Oct-15	Preceding Year To Date 31-Oct-14
Revenue				
- Manufacturing	20,621	15,627	41,604	30,842
- Trading	1,736	1,482	2,859	3,476
	<u>22,357</u>	<u>17,109</u>	<u>44,463</u>	<u>34,318</u>
Profit before tax				
- Manufacturing	5,881	3,009	10,908	4,582
- Trading	88	50	155	85
	<u>5,969</u>	<u>3,059</u>	<u>11,063</u>	<u>4,667</u>
Less : Unallocated corporate cost	(119)	(94)	(215)	(167)
	<u>5,850</u>	<u>2,965</u>	<u>10,848</u>	<u>4,500</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuations of lands and buildings have been brought forward without amendment from the financial year ended 30 April 2015.

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 RM22.4 million was higher by RM5.2 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM5.9 million in the current quarter as compared to RM3.0 million during the same quarter of previous year

The manufacturing division recorded revenue and profit before tax of RM20.6 million (FY 2015:RM15.6 million) and RM5.9 million (FY 2015:RM3.0 million) respectively. The higher profit before tax for the same quarter in current year was recorded due to increase in total gross profit contributed from higher revenue recorded and contribution from favourable exchange rate movement.

Revenue for the trading division of RM1.7 million (FY 2015:RM1.5 million) was higher by RM0.2 million due to the increased sales of copper pipes to local customers. However the trading division profit before tax in current quarter has increased to RM0.09 million compared to RM0.05 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 1.4% to RM22.4 million as compared to RM22.1 million in the preceding quarter.

The group registered a profit before tax of RM5.9 million in the current quarter as compared to RM5.0 million in the preceding quarter. Profit after tax of the Group has increased by RM0.9 million to RM4.8 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 2016.

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-15 RM'000	Preceding Year Corresponding Quarter 31-Oct-14 RM'000	Current Year To Date 31-Oct-15 RM'000	Preceding Year To Date 31-Oct-14 RM'000
Malaysia Taxation :				
Current tax expenses	1,101	754	2,295	1,163
Deferred tax expenses	(49)	130	(101)	136
	<u>1,052</u>	<u>884</u>	<u>2,194</u>	<u>1,299</u>

The tax expense for the current quarter ended 31 October 2015 is derived based on statutory current tax rate of 24% (YA2016) 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 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 To Date 31-Oct-15	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	2,573	-
- Term Loan	345	1,260
Finance leases	334	531
	<u>3,252</u>	<u>1,791</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 October 2015, the Group does not have any outstanding foreign exchange contract.

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 2nd interim single-tier dividend of 3 sen per ordinary share of RM0.50 each (FY 2015 Interim : 2 sen) for the financial year ending 30 April 2016. The Books Closure Date and Payment Date will be announced in due course.

B13. EARNINGS PER SHARE (“EPS”)

The basic EPS is computed as following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Oct-15 RM'000	Preceding Year Corresponding Quarter 31-Oct-14 RM'000	Current Year To Date 31-Oct-15 RM'000	Preceding Year To Date 31-Oct-14 RM'000
Profit attributable to owners of the Parent	4,798	2,081	8,654	3,201
Weighted average number of ordinary shares of RM0.50 in issue ('000)	79,405	79,428	79,405	79,428
Basic earnings per share (sen)	6.04	2.62	10.90	4.03

The diluted earnings per share for the Company is not presented as there are no potential dilutive ordinary shares 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 October 2015, into realised and unrealised profits, is as follow :

	Current Year To Date 31-Oct-15 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	44,213
-Unrealised loss	(3,749)
	<hr/>
	40,464
Less : Consolidation adjustments	(12,365)
	<hr/>
	<u>28,099</u>

By Order of the Board

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

Kuala Lumpur
10 December 2015