

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31ST JULY 2016

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-16 RM'000	Preceding Year Corresponding Quarter 31-Jul-15 RM'000	Current Year To Date 31-Jul-16 RM'000	Preceding Year To Date 31-Jul-15 RM'000
Revenue	25,625	22,106	25,625	22,106
Cost of sales	(14,463)	(13,975)	(14,463)	(13,975)
Gross profit	11,162	8,131	11,162	8,131
Other income	1,026	726	1,026	726
Selling & distribution expenses	(1,700)	(1,728)	(1,700)	(1,728)
Administrative expenses	(2,408)	(2,078)	(2,408)	(2,078)
Other operating expenses	(4)	(2)	(4)	(2)
Finance costs	(29)	(50)	(29)	(50)
Profit before tax	8,047	4,999	8,047	4,999
Income tax expense	(1,992)	(1,143)	(1,992)	(1,143)
Profit for the period	6,055	3,856	6,055	3,856
Other comprehensive income :	-	-	-	-
Foreign currency translation differences	(3)	-	(3)	-
Total comprehensive income for the period	6,052	3,856	6,052	3,856
Profit attributable to :				
Owners of the Company	6,052	3,856	6,052	3,856
Non-Controlling Interest	-	-	-	-
	6,052	3,856	6,052	3,856
Total comprehensive income attributable to :				
Owners of the Company	6,052	3,856	6,052	3,856
Non-Controlling Interest	-	-	-	-
	6,052	3,856	6,052	3,856
Basic earnings per share (sen)	7.63	4.86	7.63	4.86

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2016 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 2016

	As At 31-Jul-16 RM'000	Audited As At 30-Apr-16 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	57,870	56,317
Intangible asset	1,532	1,594
Other investment	47	47
Deferred tax assets	552	575
	<u>60,001</u>	<u>58,533</u>
Current assets		
Inventories	6,837	8,537
Trade receivables	11,071	10,357
Other receivables, prepayments and other assets	1,819	1,772
Deposit with licensed bank	18,546	16,946
Bank & cash balances	14,457	13,452
	<u>52,730</u>	<u>51,064</u>
TOTAL ASSETS	<u><u>112,731</u></u>	<u><u>109,597</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	(338)	(338)
Currency translation reserve	(3)	-
Revaluation reserves	17,619	17,680
Retained profits	34,800	30,669
Total Equity	<u>93,511</u>	<u>89,444</u>
Non-current liabilities		
Loan and borrowings	425	1,432
Deferred tax liability	4,539	4,592
	<u>4,964</u>	<u>6,024</u>
Current liabilities		
Loan and borrowings	1,908	1,437
Trade payables	2,544	3,899
Other payables and accruals	6,326	5,201
Dividend payable	1,985	3,176
Tax payable	1,493	416
	<u>14,256</u>	<u>14,129</u>
TOTAL EQUITY AND LIABILITIES	<u><u>112,731</u></u>	<u><u>109,597</u></u>
Net assets per ordinary share attributable to Owners of Company (sen)	<u><u>117.76</u></u>	<u><u>112.65</u></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 2016 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 JULY 2016

	Attributable to Owners of the Parent				Distributable		Total Equity RM'000
	Non-Distributable		Treasury Share RM'000	Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Profit RM'000	
	Share Capital RM'000	Share Premium RM'000					
Balance as at 1 May 2015	40,000	1,433	(328)	-	17,923	20,912	79,940
Profit for the period	-	-	-	-	-	3,856	3,856
Realisation of revaluation surplus	-	-	-	-	(61)	61	-
Share buy back	-	-	-	-	-	-	-
Distribution of dividend	-	-	-	-	-	-	-
Balance as at 31 July 2015	<u>40,000</u>	<u>1,433</u>	<u>(328)</u>	<u>-</u>	<u>17,862</u>	<u>24,829</u>	<u>83,796</u>
Balance as at 1 May 2016	40,000	1,433	(338)	-	17,680	30,669	89,444
Profit for the period	-	-	-	-	-	6,055	6,055
Other comprehensive income/(loss)	-	-	-	(3)	-	-	(3)
Total comprehensive income/(loss)	-	-	-	(3)	-	6,055	6,052
Realisation of revaluation surplus	-	-	-	-	(61)	61	-
Share buy back	-	-	-	-	-	-	-
Distribution of dividend	-	-	-	-	-	(1,985)	(1,985)
Balance as at 31 July 2016	<u>40,000</u>	<u>1,433</u>	<u>(338)</u>	<u>(3)</u>	<u>17,619</u>	<u>34,800</u>	<u>93,511</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 2016 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 2016

	Current Year Ended 31-Jul-16 RM'000	Preceding Year Ended 31-Jul-15 RM'000
Cash flows from operating activities		
Profit before tax	8,047	4,999
Adjustment for :		
Non-cash items	848	772
Non-operating items	(184)	(75)
	<hr/>	<hr/>
Operating profit before working capital changes	8,711	5,696
Changes in working capital		
Inventories	1,325	(2,706)
Trade and other receivables	(483)	2,557
Trade and other payables	(212)	(1,697)
	<hr/>	<hr/>
Cash generated from / (used) in operations	9,341	3,850
Interest paid	(29)	(50)
Interest received	213	125
Tax paid	(945)	(466)
	<hr/>	<hr/>
Net cash from / (used in) operating activities	<hr/> 8,580	<hr/> 3,459
Cash flows from investing activities		
Proceeds from disposal of property, plant & equipment	382	60
Purchase of property, plant & equipment and development expenditure	(2,642)	(1,725)
	<hr/>	<hr/>
Net cash from / (used in) investing activities	<hr/> (2,260)	<hr/> (1,665)
Cash flows from financing activities		
Purchase of treasury shares	-	-
Proceed from finance leases	300	-
Net movement in trade bills & multi currency trade loan	509	1,298
Repayment of term loan	(1,099)	(81)
Repayment of finance leases	(247)	(88)
Dividend paid	(3,176)	-
	<hr/>	<hr/>
Net cash from / (used in) financing activities	<hr/> (3,713)	<hr/> 1,129
Net increase in cash and cash equivalents	2,607	2,923
Currency Translation Differences	(2)	-
Cash and cash equivalents as at beginning of financial year	30,398	15,698
	<hr/>	<hr/>
Cash and cash equivalents as at end of period	<hr/> 33,003	<hr/> 18,621
Cash and cash equivalents at end of period comprises :-		
Deposits, Cash & Bank Balances	33,003	18,621
	<hr/>	<hr/>
	<hr/> 33,003	<hr/> 18,621

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 2016 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 2016. 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 2016.

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 2016 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 2016 :

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 14 : Regulatory Deferral Accounts	1 January 2016
MFRS 15 : Revenue from Contracts with Customer	1 January 2018
MFRS 16 : Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011) : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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 15 : Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15 : Clarifications to MFRS 15 ‘Revenue from Contracts with customers’	1 January 2018
Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 107 : Disclosure Initiative	1 January 2017
Amendments to MFRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
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 127 (2011) : Equity Method in Separate Financial Statements	1 January 2016
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 2016 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2016.

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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 2016 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 July 2016, 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 24 March 2016, the Board of Directors has approved and declared a special single-tier dividend of 4 sen per ordinary share of RM0.50 each for the financial year ending 30 April 2016. The special single-tier dividend was paid on 3 May 2016 to shareholders whose names appeared on the company's Record of Depositors on 12 April 2016.

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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 equipment.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-16	Preceding Year Corresponding Quarter 31-Jul-15	Current Year To Date 31-Jul-16	Preceding Year To Date 31-Jul-15
Revenue				
- Manufacturing	23,921	20,983	23,921	20,983
- Trading	1,704	1,123	1,704	1,123
	<u>25,625</u>	<u>22,106</u>	<u>25,625</u>	<u>22,106</u>
Profit before tax				
- Manufacturing	8,030	5,028	8,030	5,028
- Trading	116	68	116	68
	<u>8,146</u>	<u>5,096</u>	<u>8,146</u>	<u>5,096</u>
Less : Unallocated corporate cost	(99)	(97)	(99)	(97)
	<u>8,047</u>	<u>4,999</u>	<u>8,047</u>	<u>4,999</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 2016.

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 RM25.6 million was higher by RM3.5 million as compared to the same quarter of previous year.

The Group registered a profit before tax of RM8.0 million in the current quarter as compared to RM5.0 million during the same quarter of previous year

The manufacturing division recorded revenue and profit before tax of RM23.9 million (FY 2016 : RM21 million) and RM8.0 million (FY 2016 : RM5.0 million) respectively. The higher profit before tax for the same quarter in current year was recorded due to increase in total gross profit. This increase was mainly attributable to favourable exchange rate movements, growth in margin contributed by growth in sales volume and lower cost of material.

Revenue for the trading division of RM1.7 million (FY 2016 : RM1.1 million) was higher by RM0.6 million due to the increased sales of copper pipes to local customers. The trading division profit before tax in current quarter has increased to RM0.1 million compared to RM0.06 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 8.6% to RM25.6 million as compared to RM23.6 million in the preceding quarter.

The group registered a profit before tax of RM8.0 million in the current quarter as compared to RM4.8 million in the preceding quarter. Profit after tax of the Group has increased by RM2.4 million to RM6.1 million as compared to the preceding quarter mainly due to higher gross margin & exchange gain.

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 2017.

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-Jul-16 RM'000	Preceding Year Corresponding Quarter 31-Jul-15 RM'000	Current Year To Date 31-Jul-16 RM'000	Preceding Year To Date 31-Jul-15 RM'000
Malaysia Taxation :				
-Current tax expenses	2,021	1,194	2,021	1,194
-Deferred tax expenses	(29)	(51)	(29)	(51)
Under / (Over) provision in prior year				
-Current tax expenses	-	-	-	-
	<u>1,992</u>	<u>1,143</u>	<u>1,992</u>	<u>1,143</u>

The tax expense for the current quarter ended 31 July 2016 is derived based on statutory current tax rate of 24% (YA2017) 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 July 2016.

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-Jul-16	
	Short Term RM'000	Long Term RM'000
<u>Secured</u>		
Bank borrowings		
- Trade Facility	1,245	-
- Term Loan	334	-
Finance leases	329	425
	<u>1,908</u>	<u>425</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 July 2016, 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

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:

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Year To Date
	31-Jul-16	Quarter	31-Jul-16	31-Jul-15
	RM'000	31-Jul-15	RM'000	RM'000
		Quarter		
		RM'000		RM'000
Profit attributable to owners of the Parent	6,055	3,856	6,055	3,856
Weighted average number of ordinary shares of RM0.50 in issue ('000)	79,406	79,406	79,406	79,406
Basic earnings per share (sen)	7.63	4.86	7.63	4.86

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 July 2016, into realised and unrealised profits, is as follow :

	Current Year To Date 31-Jul-16 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	51,082
-Unrealised loss	(3,933)
	<hr/>
	47,149
Less : Consolidation adjustments	(12,352)
	<hr/>
	<u>34,797</u>

By Order of the Board

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

Kuala Lumpur
27 September 2016