

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2008**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter 31-Oct-08 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Oct-07 RM'000</b>	<b>Current Year To Date 31-Oct-08 RM'000</b>	<b>Preceding Year Corresponding Period 31-Oct-07 RM'000</b>
Revenue	17,955	15,932	38,919	30,583
Cost of Sales	14,884	11,650	31,573	22,342
Gross Profit	3,071	4,282	7,346	8,241
Other Operating Income	402	71	546	100
Other Operating Expenses	(2,267)	(1,959)	(4,655)	(3,671)
Interest expense	(87)	(100)	(171)	(240)
Profit before tax	1,119	2,293	3,066	4,430
Tax recover /(expense)	22	(250)	(321)	(675)
Net profit for the period	1,141	2,043	2,745	3,755
Attributable to :				
Equitable holders of the company	1,097	2,043	2,701	3,755
Minority interests	44	0	44	0
	1,141	2,043	2,745	3,755
Basic earnings per share (sen)	1.37	2.55	3.30	4.69

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2008 and the accompanying notes to the Interim Financial Statements

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

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER 2008**

	<b>Current Quarter 31-Oct-08 RM'000</b>	<b>Audited 30-April-08 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,117	34,454
Intangible assets	1,768	1,491
Investment in quoted shares	22	0
Investment in club membership	47	47
	40,954	35,992
<b>Current Assets</b>		
Inventories	10,551	7,671
Trade and other receivables	20,688	18,269
Deposit, cash and bank balances	2,851	6,270
	34,090	32,210
<b>TOTAL ASSETS</b>	75,044	68,202
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	40,000	40,000
Share premium	2,049	2,049
Retain profits	15,180	12,479
	57,229	54,529
<b>Minority interests</b>	2,219	0
<b>Total Equity</b>	59,448	54,529
<b>Non-current liabilities</b>		
Bank borrowings	225	309
Hire purchase payables	566	663
Deferred taxation	2,256	2,256
	3,047	3,228
<b>Current liabilities</b>		
Bank overdraft	410	0
Bank borrowings	2,096	771
Trade and other payables	8,899	7,727
Hire purchase payables	1,016	1,568
Current tax liability	128	379
	12,549	10,445
<b>TOTAL EQUITY AND LIABILITIES</b>	75,044	68,202
Net assets per ordinary share (sen)	71.54	68.16

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 2008 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 THE FINANCIAL PERIOD ENDED 31 OCTOBER 2008**

	Non-Distributable		Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Total RM'000		
Balance as at 1 May 2007	40,000	2,049	6,708	48,757	-	48,757
Net Profit for the financial year	-	-	7,771	7,771	-	7,771
Final dividend paid	-	-	(2,000)	(2,000)	-	(2,000)
Balance as at 30 April 2008	40,000	2,049	12,479	54,528	-	54,528

	Non-Distributable		Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Total RM'000		
Balance as at 1 May 2008	40,000	2,049	12,479	54,528	0	54,528
Net Profit for the financial period	-	-	2,701	2,701	2,219	4,920
Balance as at 31 Oct 2008	40,000	2,049	15,180	57,229	2,219	59,448

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 2008 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 FINANCIAL PERIOD ENDED 31 OCTOBER 2008**

	<b>Current Year Period Ended 31-Oct-08 RM'000</b>	<b>Preceding Year Period Ended 31-Oct-07 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	3,066	4,430
Adjustments for:		
Non-cash items	1,294	1,380
Non-operating items	55	79
Operating profit before working capital changes	4,415	5,889
Increase in working capital:		
Inventories	(2,880)	(536)
Trade and other receivables	(2,259)	3,110
Trade and other payables	1,170	1,182
Cash generated from operations	446	9,645
Tax paid	(572)	(436)
Interest paid	(90)	(159)
<b>Net cash from operating activities</b>	<b>(216)</b>	<b>9,050</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,340)	(2,896)
Purchase of quoted shares	(22)	0
Interest received	34	80
<b>Net cash used in investing activities</b>	<b>(6,328)</b>	<b>(2,816)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares of a new subsidiary	2,250	0
Net movement in trade bills	1,646	(554)
Repayment of term loan	(405)	(5,404)
Repayment of hire purchase payables	(776)	(741)
<b>Net cash used in financing activities</b>	<b>2,715</b>	<b>(6,770)</b>
Net decrease in cash and cash equivalents	(3,829)	(466)
Cash and cash equivalents as at beginning of financial year	6,270	9,465
Cash and cash equivalents at end of financial period	<b>2,441</b>	<b>8,999</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Deposits, Cash & Bank Balances	2,851	8,999
Overdraft	(410)	0
	<b>2,441</b>	<b>8,999</b>

**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 2008 and the accompanying notes to the Interim Financial Statements.

**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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**A. Explanatory Notes Pursuant to Financial Reporting Standard (“FRS”) No. 134**

**A1. BASIS OF PREPARATION**

The interim financial statements of Superlon Holdings Berhad (“Superlon”) are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 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 2008. 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 2008.

**A2. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS**

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2008 were not qualified.

**A3. SEASONAL AND CYCLICAL FACTORS**

The Group’s business operations were not materially affected by any major seasonal or cyclical factors.

**A4. 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.

**A5. SIGNIFICANT CHANGES IN ESTIMATES**

There were no changes in accounting estimates that have had a material effect in the current quarter’s results.

**A6. ISSUANCES AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

**A7. DIVIDEND PAID**

There were no dividend paid during the current quarter under review.

**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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**A8. 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 and the manufacturing of precise fine tubes.

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31-Oct-08</b>	<b>31-Oct-07</b>	<b>31-Oct-08</b>	<b>31-Oct-07</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue				
- Manufacturing	12,853	12,880	28,116	23,943
- Trading	3,902	3,052	9,603	6,640
-Steel Pipes	1,200	0	1,200	0
	<u>17,955</u>	<u>15,932</u>	<u>38,919</u>	<u>30,583</u>
Gross Profit				
- Manufacturing	2,249	3,462	5,207	6,452
- Trading	790	820	2,107	1,789
- Steel Pipes	32	0	32	0
	<u>3,071</u>	<u>4,282</u>	<u>7,346</u>	<u>8,241</u>

Geographical Segment

The Group operates principally in Malaysia, therefore information analysing geographical segment is not presented because it is not practicable to allocate operating expenses as the basis for making these allocation is arbitrary. However, the analysis of revenue and gross profits based on geographical locations of the Group's customer are shown as follows :-

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**A8. SEGMENTAL INFORMATION (CONTINUE)**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter 31-Oct-08 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Oct-07 RM'000</b>	<b>Current Year To Date 31-Oct-08 RM'000</b>	<b>Preceding Year Corresponding Period 31-Oct-07 RM'000</b>
Revenue				
- Malaysia	7,758	5,676	16,632	12,173
-Outside Malaysia	10,197	10,256	22,287	18,410
	<u>17,955</u>	<u>15,932</u>	<u>38,919</u>	<u>30,583</u>
Gross Profit				
- Malaysia	1,327	1,525	3,319	3,280
- Outside Malaysia	1,744	2,757	4,207	4,961
	<u>3,071</u>	<u>4,282</u>	<u>7,346</u>	<u>8,241</u>

**A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of property, plant and equipment in the financial quarter under review.

**A10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There was no material event subsequent to the end of the reporting period.

**A11. CHANGES IN COMPOSITION OF THE GROUP**

Further to announcement on 22 May 2008, the company wishes to announce that its subsidiary, Superlon Steel Pipes Sdn Bhd (“SSPSB”) had on 19 September 2008 increased its total issued and paid up shares capital from RM3 represented by 3 ordinary shares of RM1.00 each to RM5,000,000 represented by 5,000,000 ordinary shares of RM1.00 each.

In accordance to the terms of the joint venture agreement announced on 22 May 2008, Superlon had subscribed for 2,749,997 ordinary shares of RM1 each in SSPSB and Super Will Holdings Limited (“Super Will”) had subscribed for 2,250,000 ordinary shares of RM1 each in SSPSB. In respect thereof, the shareholdings of Superlon and Super Will in SSPSB are now 55% and 45% respectively.

There are no changes in the composition of the Group during the current quarter under review save as disclosed above.

**A12. 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.

**B. Additional Information Required By Bursa Malaysia Securities Berhad Listing Requirements**

**B1. PERFORMANCE REVIEW**

The Group achieved revenue of RM17.95 million and RM38.92 million for the current quarter and financial period ended 31 October 2008 as compare to RM15.93million and RM30.58 million in the previous year corresponding quarter and period ended 31 October 2007, showing an increase of 12.7% and 27.2% respectively. The increase in revenue was mainly due to the higher sales volume of sports equipment and exercise mats products.

However, Profit after tax decreased by 44% and 27% for the current quarter and financial period ended 31 October 2008 to RM1.1 million and RM2.7 million respectively as compare to previous year corresponding quarter and financial period ended 31 October 2007 of RM2.0 million and RM3.7 million. This decrease in profit was due to higher cost of sales as a direct consequence of rising material costs caused by external factors as well as start up cost of a new subsidiary.

**B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER**

There was no significant variance on the Group's result for the current financial quarter as compared to the preceding quarter.

**B3. COMMENTARY ON PROSPECTS**

Given the current global financial crisis, the Board of Directors is of the view that the second half of the current financial year would be extremely challenging.

In view of the above, the Board does not expect the Group to maintain its profitability.

**B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT**

The Company did not issue any profit forecast for the year.



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**B5. TAXATION**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter</b> <b>31-Oct-08</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>31-Oct-07</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>31-Oct-08</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>31-Oct-07</b> <b>RM'000</b>
Current tax expense	123	250	321	675
Deferred tax expenses	(145)	0	0	0
	<u>(22)</u>	<u>250</u>	<u>321</u>	<u>675</u>

The tax expense for the current quarter ended 31 October 2008 is derived based on statutory current tax rate of 25%(2009) 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 period to-date is lower than the statutory tax rate principally due to the utilisation of reinvestment allowances.

**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 investments in quoted securities as at 31 October 2008 :

	RM'000
At cost	22.0
At book value	22.0
At market value	14.4

**B8. CORPORATE PROPOSAL**

Save as disclosed in note A11, there is no changes in the composition of the Group during the current quarter under review.

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**B9. BORROWINGS**

The Group's borrowings as at the end of the reporting quarter are as follows:

<u>Secured</u>	Short Term <b>RM'000</b>	Long Term <b>RM'000</b>
Bank overdraft	410	0
Term Loans	2,096	225
Hire purchase	1,016	566
	<u>3,522</u>	<u>791</u>

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

The Group's used forward foreign exchange contract to hedge its exposure to fluctuations in foreign exchange arising from the sales and purchases.

As at 31 October 2008, the Group had the following off balance sheet financial instruments:

Foreign exchange forward contract ( within 3 months)	RM '000 13,067
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All the above contracts are entered into with licensed banks in Malaysia and the Directors of Superlon are of the view that the possibility of non performance by this financial institution is unlikely on the basis of its current financial strength.

**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. DIVIDEND**

The Board of Directors has approved and declared a final tax-exempt dividend of 3sen per ordinary share for the financial year ended 30 April 2008. (final tax-exempt dividend of 2.5sen per ordinary share for the financial year ended 30 April 2007) The final dividend was paid on 28 November 2008 to shareholders whose names appear on the company's Record of Depositors on 6 November 2008.

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**B13. EARNINGS PER SHARE (“EPS”)**

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter 31-Oct-08</b>	<b>Preceding Year Corresponding Quarter 31-Oct-07</b>	<b>Current Year To Date 31-Oct-08</b>	<b>Preceding Year Corresponding Period 31-Oct-07</b>
Net profit attributable to ordinary shareholders (RM '000)	<u>1,097</u>	<u>2,043</u>	<u>2,701</u>	<u>3,755</u>
Number of ordinary shares of RM 0.50 in issue ('000)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Basic earnings per share (sen)	<u>1.37</u>	<u>2.55</u>	<u>3.30</u>	<u>4.69</u>

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

**By Order of the Board**

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

**Kuala Lumpur**  
**19 December 2008**