

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2009

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-09 RM'000	Preceding Year Corresponding Quarter 31-Jul-08 RM'000	Current Year To Date 31-Jul-09 RM'000	Preceding Year Corresponding Period 31-Jul-08 RM'000
Revenue	16,751	20,964	16,751	20,964
Cost of sales	(12,687)	(16,689)	(12,687)	(16,689)
Gross profit	4,064	4,275	4,064	4,275
Other income	442	145	442	145
Selling & distribution expenses	(948)	(1,471)	(948)	(1,471)
Administrative expenses	(1,045)	(918)	(1,045)	(918)
Finance expenses	(167)	(84)	(167)	(84)
Profit/(loss) before tax	2,346	1,947	2,346	1,947
Tax expense	(412)	(343)	(412)	(343)
Net profit/(loss) for the period	1,934	1,604	1,934	1,604
Attributable to :				
Equitable holders of the company	1,955	1,604	1,955	1,604
Minority interests	(21)	0	(21)	0
	1,934	1,604	1,934	1,604
Basic earnings per share (sen)	2.44	2.00	2.44	2.00

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2009 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 JULY 2009

	Note	Current Quarter 31-July-09 RM'000	Audited 30-April-09 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	1	47,824	43,861
Intangible assets	2	1,854	1,809
Other Investment	3	69	69
		<u>49,747</u>	<u>45,739</u>
Current Assets			
Inventories	4	6,175	7,113
Trade and other receivables	5	15,567	15,466
Deposit, cash and bank balances	6	3,664	3,765
		<u>25,406</u>	<u>26,344</u>
TOTAL ASSETS		<u><u>75,153</u></u>	<u><u>72,083</u></u>
<u>EQUITY AND LIABILITIES</u>			
Equity attributable to equity holders of the parent			
Share capital		40,000	40,000
Share premium		2,049	2,049
Treasury shares		(26)	(18)
Retain profits		10,942	8,987
		<u>52,965</u>	<u>51,018</u>
Minority interests		<u>1,917</u>	<u>1,938</u>
Total Equity		<u><u>54,882</u></u>	<u><u>52,956</u></u>
Non-current liabilities			
Other payables		1,222	1,317
Bank borrowings		2,962	3,181
Hire purchase payables		2,571	536
Deferred taxation		2,472	2,471
		<u>9,227</u>	<u>7,505</u>
Current liabilities			
Bank borrowings		3,198	4,387
Trade and other payables	7	7,024	6,933
Hire purchase payables		471	280
Current tax liability		351	22
		<u>11,044</u>	<u>11,622</u>
TOTAL EQUITY AND LIABILITIES		<u><u>75,153</u></u>	<u><u>72,083</u></u>
Net assets per ordinary share (sen)		<u><u>68.60</u></u>	<u><u>66.19</u></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 2009 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 JULY 2009

	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	-	54,528
Net Profit for the financial period	-	-	1,604	1,604	-	1,604
Balance as at 31 July 2008	40,000	2,049	14,083	56,132	-	56,132

	Non-Distributable			Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000	Sub Total RM'000		
Balance as at 1 May 2009	40,000	2,049	(18)	8,987	51,018	1,938	52,956
Net profit for the financial period	-	-	-	1,955	1,955	(21)	1,934
Share buy-back	-	-	(8)	-	(8)	-	(8)
Balance as at 31 July 2009	40,000	2,049	(26)	10,942	52,965	1,917	54,882

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 2009 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 JULY 2009

	Current Year Period Ended 31-July-09 RM'000	Preceding Year Period Ended 31-July-08 RM'000
Cash flows from operating activities		
Profit before tax	2,346	1,947
Adjustments for:		
Non-cash items	944	1,033
Non-operating items	20	12
Operating profit before working capital changes	3,310	2,992
Increase in working capital:		
Inventories	937	347
Trade and other receivables	(2,368)	(4,392)
Trade and other payables	(379)	974
Cash generated from operations	1,500	(69)
Tax paid	(81)	(245)
Interest paid	(112)	(43)
Net cash from operating activities	1,307	(357)
Cash flows from investing activities		
Proceed from disposal of fixed assets	(107)	0
Purchase of fixed assets	(2)	(949)
Interest received	0	29
Net cash used in investing activities	(109)	(920)
Cash flows from financing activities		
Purchase of treasury shares	(8)	0
Net movement in trade bills	392	0
Repayment of term loan	(125)	(203)
Repayment of hire purchase payables	(37)	(390)
Net cash used in financing activities	222	(593)
Net decrease in cash and cash equivalents	1,420	(1,870)
Cash and cash equivalents as at beginning of financial year	282	6,270
Cash and cash equivalents at end of financial period	1,702	4,400
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	3,664	4,939
Overdraft	(1,962)	(539)
	1,702	4,400

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 2009 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 2009. 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 2009.

A2. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2009 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, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review except for the following:-

During the financial period ended 31 July 2009, Superlon Holdings Berhad (“SHB”) bought back from the open market, 19,000 shares SHB shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.4143 per share. The total consideration paid for the share buy-back of SHB shares during the financial period ended 31 July 2009, including transaction cost, was RM7,872.32 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. None of the treasury shares held were sold or cancelled during the financial period ended 31 July 2009.

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A7. DIVIDEND PAID

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

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>	
	Current	Preceding	Current	Preceding Year
	Year	Year	Year To	Corresponding
	Quarter	Corresponding	Date	Period
	31-July-09	31-July-08	31-July-09	31-July-08
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	13,194	18,111	13,194	18,111
- Trading	579	2,853	579	2,853
- Steel Pipes	2,978	0	2,978	0
	<u>16,751</u>	<u>20,964</u>	<u>16,751</u>	<u>20,964</u>
Gross Profit				
- Manufacturing	4,005	4,010	4,005	4,010
- Trading	32	265	32	265
- Steel Pipes	27	0	27	0
	<u>4,064</u>	<u>4,275</u>	<u>4,064</u>	<u>4,275</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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8. SEGMENTAL INFORMATION (CONTINUE)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jul-09 RM'000	Preceding Year Corresponding Quarter 31-Jul-08 RM'000	Current Year To Date 31-Jul-09 RM'000	Preceding Year Corresponding Period 31-Jul-08 RM'000
Revenue				
- Malaysia	3,536	4,731	3,536	4,731
-Outside Malaysia	13,215	16,233	13,215	6,233
	<u>16,751</u>	<u>20,964</u>	<u>16,751</u>	<u>20,964</u>
Gross Profit				
- Malaysia	636	439	636	439
- Outside Malaysia	3,428	3,836	3,428	3,836
	<u>4,064</u>	<u>4,275</u>	<u>4,064</u>	<u>4,275</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

There are no changes in the composition of the Group during the current quarter under review.

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.

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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 RM16.7 million was lower by RM4.2 million as compare to the same quarter last year. The decrease in revenue is mainly attributable to contraction in demand for our HVCA&R products caused by the economic downturn.

The Group registered a profit before tax of RM2.3 million in the current quarter as compared to a RM1.9 million profit before tax during the same quarter of previous year. The profit was mainly due to higher operating margin as a result of lower materials cost and favourable exchange rate.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 13% to RM16.8 million as compared to RM14.8 million in the preceding quarter. The group registered a profit before tax of RM2.3 million in the current quarter as compared to a pre-tax loss of RM3.2 million in the preceding quarter.

The pre-tax losses were mainly attributed to the one-off rectification of works and provision for obsolete stock in the preceding quarter.

B3. COMMENTARY ON PROSPECTS

Given the global economic recovery as a results of stimulus packages worldwide, the Board expects the Group's to achieve positive results for this financial year.

B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT

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

B5. TAXATION

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jul-09	31-Jul-08	31-Jul-09	31-Jul-08
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation				
Current tax expense	411	343	411	343
Deferred tax expenses	1	0	1	0
	<u>412</u>	<u>343</u>	<u>412</u>	<u>343</u>

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B5. TAXATION (CONTINUE)

The tax expense for the current quarter ended 31 July 2009 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 July 2009:

	RM'000
At cost	22.0
At book value	22.0
At market value	14.6

B8. CORPORATE PROPOSAL

There is no change in the composition 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:

<u>Secured</u>	Short Term RM'000	Long Term RM'000
Bank overdraft	1,962	0
Bank borrowings	1,236	2,961
Hire purchase	471	2,571
	<u>3,669</u>	<u>5,532</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 July 2009, the Group had the following off balance sheet financial instruments:

Foreign exchange forward contract (within 2 months)	RM '000 8,931
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B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS (CONTINUE)

All the above contracts are entered into with a licensed bank 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. PROPOSED DIVIDEND

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

B13. EARNINGS PER SHARE (“EPS”)

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jul-09	31-Jul-08	31-Jul-09	31-Jul-08
Net profit attributable to ordinary shareholders (RM '000)	<u>1,955</u>	<u>1,604</u>	<u>1,955</u>	<u>1,604</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>2.44</u>	<u>2.00</u>	<u>2.44</u>	<u>2.00</u>

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

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B14. PUBLIC SHAREHOLDING SPREAD

On 3 August 2009, it came to the attention of the management that 22.81% of the total issued and paid up share capital of the Company (excluding treasury shares) is held by public shareholders holding. Accordingly, the Company did not comply with the minimum public shareholdings spread requirement of 25% as stipulated under Paragraph 8.02 of the Main Market Listing Requirements.

The company on 5 August 2009 had made an announcement to Bursa Securities with written request for an extension of time to rectify the shortfall in the percentage of public shareholders. On 24 August 2009, the Company has obtained approval from Bursa Securities for an extension of time of six (6) months until 31 December 2009 to comply with the public shareholdings spread requirements.

The Management has formulated a Rectification Plans as per following in order to comply with the Bursa Securities listing requirements :

- (a) Encouraging the employees, customers and suppliers to acquire the Company's shares
- (b) Contacting potential investors and stock brokers to promote the Company and enlarge our shareholders base.

By Order of the Board

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

Kuala Lumpur
27 August 2009