

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 OCTOBER 2009

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Oct-09 RM'000	Preceding Year Corresponding Quarter 31-Oct-08 RM'000	Current Year To Date 31-Oct-09 RM'000	Preceding Year Corresponding Period 31-Oct-08 RM'000
Revenue	14,568	17,955	31,319	38,919
Cost of sales	10,778	14,884	23,465	31,573
Gross profit	3,790	3,071	7,854	7,346
Other income	236	402	639	546
Selling & distribution expenses	(924)	(1,169)	(1,871)	(2,639)
Administrative expenses	(1,141)	(1,098)	(2,147)	(2,016)
Finance expenses	(164)	(87)	(332)	(171)
Profit/(loss) before tax	1,797	1,119	4,143	3,066
Tax recover / (expense)	(280)	22	(692)	(321)
Net profit/(loss) for the period	1,517	1,141	3,451	2,745
Attributable to :				
Equitable holders of the company	1,601	1,097	3,556	2,701
Minority interests	(84)	44	(105)	44
	1,517	1,141	3,451	2,745
Basic earnings per share (sen)	2.00	1.37	4.45	3.30

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 OCTOBER 2009

	Note	Current Quarter 31-Oct-09 RM'000	Audited 30-April-09 RM'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	1	47,050	43,861
Intangible assets	2	1,891	1,809
Other Investment	3	47	69
		<u>48,988</u>	<u>45,739</u>
Current Assets			
Inventories	4	9,122	7,113
Trade and other receivables	5	14,100	15,466
Deposit, cash and bank balances	6	3,798	3,765
		<u>27,020</u>	<u>26,344</u>
TOTAL ASSETS		<u><u>76,008</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)
Retained profits		12,543	8,987
		<u>54,566</u>	<u>51,018</u>
Minority interests		<u>1,833</u>	<u>1,938</u>
Total Equity		<u><u>56,399</u></u>	<u><u>52,956</u></u>
Non-current liabilities			
Bank borrowings		2,877	3,181
Other payables		1,199	1,317
Hire purchase payables		2,482	536
Deferred taxation		2,517	2,471
		<u>9,075</u>	<u>7,505</u>
Current liabilities			
Bank borrowings		2,929	4,387
Trade and other payables	7	6,666	6,933
Hire purchase payables		462	280
Current tax liability		477	22
		<u>10,534</u>	<u>11,622</u>
TOTAL EQUITY AND LIABILITIES		<u><u>76,008</u></u>	<u><u>72,083</u></u>
Net assets per ordinary share (sen)		<u><u>70.55</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 OCTOBER 2009

	Non-Distributable		Distributable			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Profit RM'000	Sub Total RM'000	Minority Interest RM'000	
Balance as at 1 May 2008	40,000	2,049	12,479	54,528	-	54,528
Acquisition of new subsidiary	-	-	-	-	2,250	2,250
Net Profit/(Loss) for the financial period	-	-	2,701	2,701	(31)	2,670
Balance as at 31 Oct 2008	40,000	2,049	15,180	57,229	2,219	59,448

	Non-Distributable			Distributable			Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000	Sub Total RM'000	Minority Interest RM'000	
Balance as at 1 May 2009	40,000	2,049	(18)	8,987	51,018	1,938	52,956
Net Profit/(Loss) for the financial period	-	-	-	3,556	3,556	(105)	3,451
Share buy-back	-	-	(8)	-	(8)	-	(8)
Balance as at 31 Oct 2009	40,000	2,049	(26)	12,543	54,566	1,833	56,399

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 QUARTER ENDED 31 OCTOBER 2009

	Current Quarter Ended 31-Oct-09 RM'000	Preceding Quarter Ended 31-Oct-08 RM'000
Cash flows from operating activities		
Profit before tax	4,143	3,066
Adjustments for:		
Non-cash items	2,059	1,294
Non-operating items	141	55
Operating profit before working capital changes	6,343	4,415
Increase in working capital:		
Inventories	(2,011)	(2,880)
Trade and other receivables	1,366	(2,259)
Trade and other payables	(384)	1,170
Cash generated from operations	5,314	446
Tax paid	(190)	(572)
Interest paid	(229)	(90)
Net cash from operating activities	4,895	(216)
Cash flows from investing activities		
Proceed from disposal of investment	22	-
Purchase of property, plant & equipment	(5,330)	(6,340)
Purchase of quoted shares	-	(22)
Interest received	1	34
Net cash used in investing activities	(5,307)	(6,328)
Cash flows from financing activities		
Proceeds from issuance of shares from new subsidiary	-	2,250
Net movement in trade bills	2,153	1,646
Proceeds from hire purchase payables	2,510	-
Repayment of term loan	(431)	(405)
Repayment of hire purchase payables	(296)	(776)
Purchase of treasury share	(8)	
Net cash used in financing activities	3,928	2,715
Net decrease in cash and cash equivalents	3,516	(3,829)
Cash and cash equivalents as at beginning of financial year	282	6,270
Cash and cash equivalents at end of financial period	3,798	2,441
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	3,798	2,851
Overdraft	-	(410)
	3,798	2,441

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.

A7. DIVIDEND PAID

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

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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>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Oct-09	31-Oct-08	31-Oct-09	31-Oct-08
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	11,964	15,081	25,157	33,192
- Trading	656	1,674	1,236	4,527
- Steel Pipes	1,948	1,200	4,926	1,200
	<u>14,568</u>	<u>17,955</u>	<u>31,319</u>	<u>38,919</u>
Gross Profit				
- Manufacturing	3,680	2,840	7,684	6,558
- Trading	113	199	146	759
- Steel Pipes	(3)	32	24	32
	<u>3,790</u>	<u>3,071</u>	<u>7,854</u>	<u>7,346</u>

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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 RM14.6 million was lower by RM3.4 million as compared to the same corresponding quarter last year. The decrease in revenue is mainly attributable to the contraction in demand for our HVAC&R products caused by the slowdown in the world economy.

Nonetheless, the Group registered a profit before tax of RM1.8 million in the current quarter as compared to a RM1.1 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 costs of material and favourable exchange rates.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has decreased by 13% to RM14.6 million as compared to RM16.8 million in the preceding quarter.

The group registered a profit before tax of RM1.8 million in the current quarter as compared to a profit before tax of RM2.3 million in the preceding quarter. Profit after tax of the Group decreased marginally from RM1.9 million in the previous quarter to RM1.5 million in the current quarter.

B3. COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances and based on global economic recovery, the Board expects the Group to achieve positive results for the 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 31-Oct-09 RM'000	Preceding Year Corresponding Quarter 31-Oct-08 RM'000	Current Year To Date 31-Oct-09 RM'000	Preceding Year Corresponding Period 31-Oct-08 RM'000
Malaysian Taxation				
Current tax expense	235	123	645	321
Deferred tax expenses	45	(145)	47	0
	<u>280</u>	<u>(22)</u>	<u>692</u>	<u>321</u>

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B5. TAXATION (CONTINUED)

The tax expense for the current quarter ended 31 October 2009 is derived based on statutory current tax rate of 25% (YA2010) 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 and unabsorbed capital 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 except as follows :

The total purchase consideration of quoted securities was as follows :-

	Current Quarter RM'000	Financial Year to date RM'000
Cost of purchase of shares in Luxchem Bhd	22 =====	22 =====
The disposals of quoted securities was as follows :-		
Proceeds of shares in Luxchem Bhd disposed	22 =====	22 =====
Loss on disposal of shares in Luxchem Bhd	- =====	- =====

The Group does not hold any investments in quoted securities as at 31 October 2009.

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	-	-
Bank borrowings	2,929	2,877
Hire purchase	462	2,482
	<u>3,391</u>	<u>5,359</u>

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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 2009, the Group had the following off balance sheet financial instruments:

	RM'000
Foreign exchange forward contract (within 2 months)	<u>7,472</u>

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

On even date, the Board of Directors has approved and declared an interim single-tier dividend of 1.75 sen per ordinary share of RM0.50 each for the financial year ending 30 April 2010 (2009 Interim: nil). The Books Closure Date is 12 January 2010 and in respect of deposited securities, entitlement to dividends will be determined on the basis of the Record of Depositors of Superlon Holdings Berhad as at 12 January 2010. The Payment Date is 2 February 2010.

B13. EARNINGS PER SHARE ("EPS")

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Oct-09	Preceding Year Corresponding Quarter 31-Oct-08	Current Year To Date 31-Oct-09	Preceding Year Corresponding Period 31-Oct-08
Net profit attributable to ordinary shareholders (RM '000)	<u>1,601</u>	<u>1,097</u>	<u>3,556</u>	<u>2,701</u>
Number of ordinary shares of RM 0.50 in issue ('000)	<u>79,940</u>	<u>80,000</u>	<u>79,940</u>	<u>80,000</u>
Basic earnings per share (sen)	<u>2.00</u>	<u>1.37</u>	<u>4.45</u>	<u>3.30</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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By Order of the Board

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

Kuala Lumpur
21 December 2009