

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL QUARTER ENDED 31 JANUARY 2010**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter 31-Jan-10 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Jan-09 RM'000</b>	<b>Current Year To Date 31-Jan-10 RM'000</b>	<b>Preceding Year Corresponding Period 31-Jan-09 RM'000</b>
Revenue	14,616	12,152	45,936	51,071
Cost of sales	(11,416)	(11,451)	(34,882)	(43,084)
Gross profit	3,200	701	11,054	7,987
Other income	79	116	642	662
Selling & distribution expenses	(938)	(724)	(2,809)	(3,376)
Administrative expenses	(1,047)	(874)	(3,117)	(2,817)
Finance expenses	(165)	(139)	(497)	(311)
Profit/(loss) before tax	1,129	(920)	5,273	2,145
Tax recover / (expense)	(292)	(141)	(984)	(462)
Net profit/(loss) for the period	837	(1,061)	4,289	1,683
Attributable to :				
Equitable holders of the company	1,006	(938)	4,563	1,762
Minority interests	(169)	(123)	(274)	(79)
	837	(1,061)	4,289	1,683
Basic earnings per share (sen)	1.26	(1.17)	5.72	2.20

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)**  
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2010**

Note	<b>Current Quarter 31-Jan-10 RM'000</b>	<b>Audited 30-April-09 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	46,152	43,861
Intangible assets	1,865	1,809
Other Investment	47	69
	48,064	45,739
<b>Current Assets</b>		
Inventories	10,912	7,113
Trade and other receivables	12,056	15,466
Deposit, cash and bank balances	7,518	3,765
	30,486	26,344
<b>TOTAL ASSETS</b>	78,550	72,083
<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
Treasury shares	(75)	(18)
Retained profits	13,550	8,987
	55,524	51,018
<b>Minority interests</b>	1,664	1,938
<b>Total Equity</b>	57,188	52,956
<b>Non-current liabilities</b>		
Bank borrowings	2,798	3,181
Other payables	1,199	1,317
Hire purchase payables	2,392	536
Deferred taxation	2,556	2,471
	8,945	7,505
<b>Current liabilities</b>		
Bank borrowings	4,126	4,387
Trade and other payables	7,217	6,933
Hire purchase payables	453	280
Current tax liability	621	22
	12,417	11,622
<b>TOTAL EQUITY AND LIABILITIES</b>	78,550	72,083
Net assets per ordinary share (sen)	71.62	66.19

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 JANUARY 2010**

	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 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	-	-	-	1,762	1,762	(153)	1,609
Share buy-back	-	-	(4)	-	(4)	-	(4)
Final dividend paid	-	-	-	(2,400)	(2,400)	-	(2,400)
Balance as at 31 Jan 2009	40,000	2,049	(4)	11,841	53,886	2,097	55,983

	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	-	-	-	4,563	4,563	(274)	4,289
Share buy-back	-	-	(57)	-	(57)	-	(57)
Balance as at 31 Jan 2010	40,000	2,049	(75)	13,550	55,524	1,664	57,188

**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 JANUARY 2010**

	<b>Current Quarter Ended 31-Jan-10 RM'000</b>	<b>Preceding Quarter Ended 31-Jan-09 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	5,273	2,145
Adjustments for:		
Non-cash items	3,018	2,233
Non-operating items	255	151
Operating profit before working capital changes	8,546	4,529
Increase in working capital:		
Inventories	(3,799)	(1,853)
Trade and other receivables	3,410	3,222
Trade and other payables	166	(3,584)
Cash generated from operations	8,323	2,314
Tax paid	(300)	(200)
Interest paid	(343)	(764)
<b>Net cash from operating activities</b>	7,680	1,350
<b>Cash flows from investing activities</b>		
Proceed from disposal of investment	22	-
Purchase of property, plant & equipment	(5,363)	(12,861)
Purchase of quoted shares	-	(22)
Interest received	2	47
<b>Net cash used in investing activities</b>	(5,339)	(12,836)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares from new subsidiary	-	2,250
Net movement in trade bills	3,349	(2,400)
Proceeds from hire purchase payables	2,510	4,531
Repayment of term loan	(512)	(607)
Repayment of hire purchase payables	(395)	(1,162)
Purchase of treasury share	(57)	(4)
Proceed from term loan		3,000
<b>Net cash used in financing activities</b>	4,895	5,608
Net increase/(decrease) in cash and cash equivalents	7,236	(5,878)
Cash and cash equivalents as at beginning of financial year	282	6,270
Cash and cash equivalents at end of financial period	<b>7,518</b>	<b>392</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Deposits, Cash & Bank Balances	7,518	3,807
Overdraft	-	(3,415)
	<b>7,518</b>	<b>392</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 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 January 2010, Superlon Holdings Berhad (“SHB”) bought back from the open market, 129,000 shares SHB share listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.4437 per share. The total consideration paid for the share buy-back of SHB shares during the financial period ended 31 January 2010, including transaction cost, was RM57,243.72 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 January 2010.

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**A7. DIVIDEND PAID**

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 interim dividend was paid on 2 February 2010 to shareholders whose names appear on the company's Record of Depositors on 12 January 2010.

**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-Jan-10</b>	<b>31-Jan-09</b>	<b>31-Jan-10</b>	<b>31-Jan-09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue				
- Manufacturing	12,303	9,794	37,461	42,986
- Trading	561	644	1,797	5,171
- Steel Pipes	1,752	1,714	6,678	2,914
	<u>14,616</u>	<u>12,152</u>	<u>45,936</u>	<u>51,071</u>
Gross Profit				
- Manufacturing	3,306	850	10,990	7,345
- Trading	89	25	235	784
- Steel Pipes	(195)	(174)	(171)	(142)
	<u>3,200</u>	<u>701</u>	<u>11,054</u>	<u>7,987</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.

**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 higher by RM2.4 million as compared to the same corresponding quarter last year. The increase in revenue was mainly due to the increase in demand for our HVAC&R products as a result of the recovery in the global economic conditions.

The Group's profit before tax increased to RM1.1 million in the current quarter as compared to RM0.9 million loss before tax during the same quarter of previous year.

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

Revenue for the current quarter has recorded at RM14.6 million, same as the preceding quarter.

The group registered a profit before tax of RM1.1 million in the current quarter as compared to a profit before tax of RM1.8 million in the preceding quarter. Profit after tax of the Group decreased from RM1.5 million in the previous quarter to RM0.8 million in the current quarter.

**B3. COMMENTARY ON PROSPECTS**

Barring any unforeseen circumstances and based on the 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>	
	<b>Current Year Quarter</b> <b>31-Jan-10</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>31-Jan-09</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>31-Jan-10</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>31-Jan-09</b> <b>RM'000</b>
Malaysian Taxation				
Current tax expense	253	81	899	402
Deferred tax expenses	39	60	85	60
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	292	141	984	462



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**B5. TAXATION (CONTINUED)**

The tax expense for the current quarter ended 31 January 2010 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

The Group does not hold any investments in quoted securities as at 31 January 2010.

**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:

<u>Secured</u>	Short Term <b>RM'000</b>	Long Term <b>RM'000</b>
Bank overdraft	-	-
Bank borrowings	4,126	2,798
Hire purchase	453	2,392
	<u>4,579</u>	<u>5,190</u>

**B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

As at 31 January 2010, the Group had the following off balance sheet financial instruments:

Foreign exchange forward contract (within 2 months)	RM'000 <u>6,275</u>
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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.

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**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>	
	<u>Current Year Quarter</u> <u>31-Jan-10</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-Jan-09</u>	<u>Current Year To Date</u> <u>31-Jan-10</u>	<u>Preceding Year Corresponding Period</u> <u>31-Jan-09</u>
Net profit attributable to ordinary shareholders (RM '000)	<u>1,006</u>	<u>(938)</u>	<u>4,563</u>	<u>1,762</u>
Number of ordinary shares of RM 0.50 in issue ('000)	<u>79,850</u>	<u>80,000</u>	<u>79,850</u>	<u>80,000</u>
Basic earnings per share (sen)	<u>1.26</u>	<u>(1.17)</u>	<u>5.72</u>	<u>2.20</u>

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

**By Order of the Board**

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

**Kuala Lumpur**  
**25 March 2010**