

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 31 OCTOBER 2010

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Oct-10 RM'000	Preceding Year Corresponding Quarter 31-Oct-09 RM'000	Current Year To Date 31-Oct-10 RM'000	Preceding Year Corresponding Period 31-Oct-09 RM'000
Revenue	16,323	14,568	32,217	31,319
Cost of sales	(13,481)	(10,778)	(26,730)	(23,465)
Gross profit	2,842	3,790	5,487	7,845
Other income	119	236	264	639
Selling & distribution expenses	(1,089)	(924)	(2,116)	(1,871)
Administrative expenses	(1,311)	(1,141)	(2,339)	(2,147)
Finance costs	(210)	(164)	(409)	(332)
Profit before tax	351	1,797	887	4,143
Income tax expense	(158)	(280)	(370)	(692)
Profit for the period	193	1,517	517	3,451
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	193	1,517	517	3,451
Profit attributable to :				
Owners of the Parent	283	1,602	705	3,556
Non-Controlling Interest	(90)	(84)	(188)	(105)
	193	1,517	517	3,451
Basic earnings per share (sen)	0.36	2.00	0.89	4.45

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2010 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 31 OCTOBER 2010

	Current Quarter 31-Oct-10 RM'000	Audited 30-April-10 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	44,011	45,356
Intangible asset	1,981	1,886
Other Investment	47	47
Scheduled receivable	604	698
	<u>46,643</u>	<u>47,987</u>
Current Assets		
Inventories	13,479	10,793
Trade and other receivables	12,187	11,121
Derivative asset	1	-
Deposit, cash and bank balances	6,129	6,879
	<u>31,796</u>	<u>28,793</u>
TOTAL ASSETS	<u><u>78,439</u></u>	<u><u>76,780</u></u>
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	40,000	40,000
Share premium	2,049	2,049
Treasury shares	(171)	(162)
Retained profits	13,577	12,838
	<u>55,455</u>	<u>54,725</u>
Non-controlling interests	<u>1,095</u>	<u>1,283</u>
Total Equity	<u>56,550</u>	<u>56,008</u>
Non-current liabilities		
Bank borrowings	2,723	2,857
Scheduled payable	791	907
Finance leases	2,131	2,265
Deferred tax liability	2,635	2,513
	<u>8,280</u>	<u>8,542</u>
Current liabilities		
Bank borrowings	5,923	2,671
Trade and other payables	7,139	8,762
Finance leases	459	444
Current tax payables	88	353
	<u>13,609</u>	<u>12,230</u>
TOTAL EQUITY AND LIABILITIES	<u><u>78,439</u></u>	<u><u>72,780</u></u>
Net assets per ordinary share (sen)	<u><u>69.67</u></u>	<u><u>68.71</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 2010 and the accompanying notes to the Interim Financial Statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2010

	← Attributable to Owners of the Parent →						Non-Controlling Interest	Total Equity
	← Non-Distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000	Sub Total RM'000	RM'000	RM'000	
Balance as at 1 May 2009	40,000	2,049	(18)	8,987	51,058	1,938	52,956	
Profit for the period				3,556	3,556	(105)	3,451	
Share buy-back			(8)		(8)		(8)	
Balance as at 31 October 2009	40,000	2,049	(26)	12,543	54,566	1,833	56,399	

	← Attributable to Owners of the Parent →						Non-Controlling Interest	Total Equity
	← Non-Distributable →			Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000	Sub Total RM'000	RM'000	RM'000	
Balance as at 1 May 2010, as previously stated	40,000	2,049	(162)	12,838	54,725	1,283	56,008	
Effects of adopting FRS 139				34	34		34	
Balance as at 1 May 2010, restated	40,000	2,049	(162)	12,872	54,759	1,283	56,042	
Profit for the period				705	705	(188)	517	
Share buy-back			(9)		(9)		(9)	
Balance as at 31 October 2010	40,000	2,049	(171)	13,577	55,455	1,095	56,550	

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 2010 and the accompanying notes to the Interim Financial Statements

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2010

	Current Year Ended 31-Oct-10 RM'000	Preceding Year Ended 31-Oct-09 RM'000
Cash flows from operating activities		
Profit before tax	887	4,143
Adjustments for:		
Non-cash items	1,788	2,059
Non-operating items	235	141
Operating profit before working capital changes	2,910	6,343
Changes in working capital:		
Inventories	(2,686)	(2,011)
Trade and other receivables	(898)	1,366
Trade and other payables	(1,731)	(384)
Cash generated from/(absorbed into) operations	(2,405)	5,314
Tax paid	(514)	(190)
Interest paid	(295)	(229)
Net cash from operating activities	(3,214)	4,895
Cash flows from investing activities		
Proceed from disposal of investment	-	22
Proceed from disposal of property, plant & equipment	69	-
Purchase of property, plant & equipment and development expenditure	(568)	(5,330)
Interest received	61	1
Net cash used in investing activities	(438)	(5,307)
Cash flows from financing activities		
Proceeds from finance leases	-	2,510
Purchase of treasury shares	(8)	(8)
Net movement in trade bills	2,978	2,153
Repayment of term loan	(153)	(431)
Repayment of finance leases	(210)	(296)
Net cash from financing activities	2,607	3,928
Net increase/(decrease) in cash and cash equivalents	(1,045)	3,516
Cash and cash equivalents as at beginning of financial year	6,397	282
Cash and cash equivalents at end of financial period	5,352	3,798
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	6,129	3,798
Overdraft	(777)	-
	5,352	3,798

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 2010 and the accompanying notes to the Interim Financial Statements.

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

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 2010.

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 2010 except for the adoption of the following FRSs, IC interpretations, amendments to FRSs and IC interpretations issued by Malaysian Accounting Standards Board (“MASB”) that are mandatory for the Group for the financial year beginning 1 May 2010 :

FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements
Revised FRS 101 (2009)	Presentation of Financial Statements
FRS 123	Borrowing Costs
Revised FRS 123 (2009)	Borrowing Costs
FRS 139	Financial Instruments : Recognition and Measurement
Revised FRS 139 (2010)	Financial Instruments : Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment : Vesting Conditions and Cancellation
Amendments to FRS 101 and FRS 132	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 132	Financial Instruments : Presentation
Amendments to FRS 132	Financial Instruments : Presentation - Paragraphs 95A, 97AA and 97AB of the standard
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
Amendments to FRS 139, FRS 7 and IC interpretation 9	Financial Instruments : Recognition and Measurement , Disclosures and Reassessment of Embedded Derivatives
Improvement to FRSs (2009)	Amendments to FRSs 5, 8, 107, 108, 110, 116, 117, 118, 119, 120, 123, 127, 128, 129, 131, 134, 136, 138 and 140
IC interpretation 9	Reassessment of Embedded Derivatives
IC interpretation 10	Interim Financial Reporting and Impairment
IC interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC interpretation 13	Customer Loyalty Programmes
IC interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

FRS 4 and IC Interpretation 13 are not relevant to the Group's and the Company Operations.

The adoption of the other new standards, interpretations and amendments do not have a material impact on interim financial statement of the Group except for the adoption of the following standards as set out below :

FRS 139 "Financial Instruments : Recognition and Measurement"

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 May 2010.

The classification depends on the nature of the assets and liabilities and the purpose for which the assets/liabilities were acquired/incurred. Management determines the classification of its financial assets and liabilities at initial recognition. Set out below are the major changes in classifications of financial assets and liabilities of the Group :

i) Financial Assets at fair value through profit or loss

Prior to adoption of FRS 139, short term equity investment, other than investments in subsidiaries were recognised at cost less allowance for diminution in value which is other than temporary. With the adoption of FRS 139, these are now classified as financial assets and measured at fair value on the date a transaction is entered into and are subsequently re-measured at fair value with changes in fair value recognised in profit or loss at each reporting date.

ii) Loans and receivables

Non current receivables were previously measured at invoiced amount and subject to impairment, are now classified as loans and receivables and measured at fair value and subsequently, at amortised cost using effective interest method and subject to impairment.

When loans and receivables are subsequently derecognised, amortised and impaired, the gain or loss in carrying amount of the asset is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decrease, the reversal of the previously recognised impairment loss is recognised in profit or loss.

iii) Financial Liabilities measured at amortised cost

Non current payables were previously measured initially and subsequently at cost, are now classified as financial liabilities and recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Gains and loss are recognised in profit or loss when the financial liabilities are derecognised or through the amortisation process.

iv) Derivatives

Prior to the adoption of FRS 139, derivatives financial instruments were not previously recognised in the financial statements on inception and were recognised only in the financial statements on settlement date. Under FRS 139, derivatives financial instruments are required to be initially recognised at fair value on the date the derivatives contract is entered into and subsequently re-measured at fair value at each reporting date. Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

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

In accordance with the transitional provisions of FRS 139 for the first time adoption, the above changes in accounting policies have been accounted for prospectively and the comparatives as at 30.04.2010 are not restated. The financial assets and financial liabilities of the Group as at 1 May 2010 have been identified and remeasured as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained earnings as at 1 May 2010 as follows :-

	As previously reported RM'000	Effects of adopting FRS 139 RM'000	After effects of adopting FRS 139 RM'000
Balance as at 1 May 2010			
<u>Non-current assets :-</u>			
Scheduled Receivable	698	(77)	621
<u>Current assets :-</u>			
Scheduled Receivable	226	(53)	173
<u>Non-current liabilities :-</u>			
Scheduled Payables	907	(95)	812
<u>Current liabilities :-</u>			
Scheduled Payables	302	(69)	233
<u>Equity :-</u>			
Retained Earning	12,838	34	12,872

A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2009 were 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.

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

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 except for the following :-

During the financial period ended 31 October 2010, Superlon Holdings Berhad (“SHB”) bought back from the open market, 19,000 shares SHB share listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.43 per share. The total consideration paid for the share buy-back of SHB shares during the financial period ended 31 October 2010, including transaction cost, was RM8,046.36 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 quarter ended 31 October 2010.

A8. DIVIDEND PAID

The Board of Directors has proposed a final single-tier dividend of 1.75 sen per ordinary share for the financial year ended 30 April 2010 which was approved by shareholders at the Annual General Meeting on 29 September 2010. The final dividend was paid on 11 November 2010 to shareholders whose names appeared on the company’s Record of Depositors on 15 October 2010.

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 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-10	31-Oct-09	31-Oct-10	31-Oct-09
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	13,865	11,967	26,876	25,180
- Trading	418	656	844	1,236
- Steel Pipes	2,040	1,945	4,496	4,903
	<u>16,323</u>	<u>14,568</u>	<u>32,216</u>	<u>31,319</u>
Profit before tax				
- Manufacturing	643	2,051	1,437	4,568
- Trading	9	15	35	(40)
- Steel Pipes	(193)	(179)	(406)	(220)
	<u>459</u>	<u>1,887</u>	<u>1,066</u>	<u>4,308</u>
Less : Unallocated corporate cost	(108)	(90)	(179)	(165)
	<u>351</u>	<u>1,797</u>	<u>887</u>	<u>4,143</u>

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

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

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.

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

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

B1. PERFORMANCE REVIEW

The Group revenue for the current quarter of RM16.3 million was higher by RM1.7 million as compared to the same corresponding quarter last year.

However, the Group's profit before tax decreased to RM0.351 million in the current quarter as compared to profit before tax of RM1.8 million during the same quarter of previous year. The decrease in profit before tax is mainly due to the translation impact arising from unfavourable exchange rate movement and higher raw material costs.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has an increase of 2.5% to RM16.3 million as compared to RM15.9 million in the preceding quarter.

The group registered a profit before tax of RM0.351 million in the current quarter as compared to a profit before tax of RM0.536 million in the preceding quarter. Profit after tax of the Group decreased from RM0.324 million in the previous quarter to RM0.193 million in the current quarter.

B3. COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances, the Board expects the Group to achieve satisfactory results for the financial year ending 30th April 2011.

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-Oct-10	31-Oct-09	31-Oct-10	31-Oct-09
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation				
-Current tax expense	80	235	249	645
-Under/(over) provision	-	-	-	-
Deferred tax expenses	78	45	121	47
	<u>158</u>	<u>280</u>	<u>370</u>	<u>692</u>

The tax expense for the current quarter ended 30 April 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 year is lower than the statutory tax rate principally due to the utilisation of reinvestment allowances and unabsorbed capital allowances.

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

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 October 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 RM'000	Long Term RM'000
Bank overdraft	777	-
Bank borrowings	5,146	2,723
Finance leases	459	2,131
	6,382	4,854

B10. OUSTANDING DERIVATIVES

With the adoption of FRS 139, there are currently no off balance sheet derivatives. The accounting policies relating to the derivatives are explained in Note A2 (iv) above.

As at 31 October 2010, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Notional Value	Fair Value
	31-Oct-10	31-Oct-10
	RM'000	Assets/(Liabilities) RM'000
Foreign exchange contract		
-Less than 1 year	1,089	1

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

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.

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

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-Oct-10</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-Oct-09</u>	<u>Current Year To Date</u> <u>31-Oct-10</u>	<u>Preceding Year Corresponding Period</u> <u>31-Oct-09</u>
Net profit attributable to ordinary shareholders (RM '000)	<u>283</u>	<u>1,601</u>	<u>705</u>	<u>3,556</u>
Number of ordinary shares of RM 0.50 in issue ('000)	<u>79,596</u>	<u>79,940</u>	<u>79,596</u>	<u>79,940</u>
Basic earnings per share (sen)	<u>0.36</u>	<u>2.00</u>	<u>0.89</u>	<u>4.45</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
22 December 2010