

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 JULY 2011

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>31-July-11</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-July-10</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>31-July-11</u> <u>RM'000</u>	<u>Preceding Year Corresponding Period</u> <u>31-July-10</u> <u>RM'000</u>
Revenue	16,597	15,894	16,597	15,894
Cost of sales	(14,197)	(13,249)	(14,197)	(13,249)
Gross profit	2,400	2,645	2,400	2,645
Other income	179	145	179	145
Selling & distribution expenses	(936)	(1,027)	(936)	(1,027)
Administrative expenses	(1,106)	(1,028)	(1,106)	(1,028)
Finance costs	(206)	(199)	(206)	(199)
Profit before tax	331	536	331	536
Income tax expense	(107)	(212)	(107)	(212)
Profit for the period	224	324	224	324
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	224	324	224	324
Profit attributable to :				
Owners of the Parent	334	422	334	422
Non-Controlling Interest	(110)	(98)	(110)	(98)
	224	324	224	324
Basic earnings per share (sen)	0.42	0.53	0.42	0.53

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2011 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 JULY 2011

	Current Quarter 31-July-11 RM'000	Audited 30-April-11 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	42,380	43,355
Intangible asset	2,003	1,944
Other Investment	47	47
Scheduled receivable	435	468
	<u>44,865</u>	<u>45,814</u>
Current Assets		
Inventories	14,449	11,976
Trade and other receivables	11,911	12,251
Derivative asset	3	23
Deposit, cash and bank balances	7,145	7,414
	<u>33,508</u>	<u>31,664</u>
TOTAL ASSETS	<u><u>78,373</u></u>	<u><u>77,478</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	(231)	(194)
Retained profits	13,142	12,808
	<u>54,960</u>	<u>54,663</u>
Non-controlling interests	<u>509</u>	<u>619</u>
Total Equity	<u><u>55,469</u></u>	<u><u>55,282</u></u>
Non-current liabilities		
Bank borrowings	2,569	2,633
Scheduled payable	562	608
Finance leases	340	380
Deferred tax liability	2,740	2,700
	<u>6,211</u>	<u>6,321</u>
Current liabilities		
Bank borrowings	6,850	7,975
Trade and other payables	9,615	7,679
Finance leases	156	154
Current tax payables	72	67
	<u>16,693</u>	<u>15,875</u>
TOTAL EQUITY AND LIABILITIES	<u><u>78,373</u></u>	<u><u>77,478</u></u>
Net assets per ordinary share (sen)	<u><u>69.16</u></u>	<u><u>68.70</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 2011 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 YEAR ENDED 31 JULY 2011**

	← Attributable to Owners of the Parent →				Sub Total	Non- Controlling Interest	Total Equity
	← Non-Distributable →		→ Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit 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	-	-	-	422	422	(98)	324
Share buy-back	-	-	(3)	-	(3)	-	(3)
Balance as at 30 July 2011	40,000	2,049	(165)	13,294	55,178	1,185	56,363

	← Attributable to Owners of the Parent →				Sub Total	Non- Controlling Interest	Total Equity
	← Non-Distributable →		→ Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Share RM'000	Retained Profit RM'000			
Balance as at 1 May 2011	40,000	2,049	(194)	12,808	54,663	619	55,282
Profit for the period	-	-	-	334	334	(110)	234
Share buy-back	-	-	(37)	-	(37)	-	(37)
Balance as at 30 July 2011	40,000	2,049	(231)	13,142	54,960	519	55,479

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 2011 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 YEAR ENDED 31 JULY 2011

	Current Year Ended 31-Jul-11 RM'000	Preceding Year Ended 31-Jul-10 RM'000
Cash flows from operating activities		
Profit before tax	331	535
Adjustments for:		
Non-cash items	1,039	910
Non-operating items	144	110
Operating profit before working capital changes	1,514	1,555
Changes in working capital:		
Inventories	(2,473)	(5,137)
Trade and other receivables	482	(494)
Trade and other payables	1,855	(873)
Cash generated from/(absorbed into) operations	1,378	(4,949)
Interest paid	(155)	(144)
Tax paid	(64)	(308)
Net cash from operating activities	1,159	(5,401)
Cash flows from investing activities		
Purchase of property, plant & equipment and development expenditure	(175)	(237)
Interest received	12	34
Net cash used in investing activities	(163)	(203)
Cash flows from financing activities		
Purchase of treasury shares	(37)	(2)
Net movement in trade bills	(341)	3,260
Repayment of term loan	(61)	(77)
Repayment of finance leases	(38)	(103)
Net cash from financing activities	(477)	3,078
Net increase/(decrease) in cash and cash equivalents	519	(2,526)
Cash and cash equivalents as at beginning of financial year	6,613	6,397
Cash and cash equivalents at end of financial period	7,132	3,871
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	7,145	4,670
Overdraft	(13)	(799)
	7,132	3,871

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 2011 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 2011. 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 2011.

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 2011 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 2011 :

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised)	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payments
Amendments to FRS 2	Scope of FRS 2 and Revised FRS 3 (2010)
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments : Presentation - Amendments in paragraphs 11, 16 and 97E of the standard, Relating to Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
Amendments to FRS 138	Consequential Amendments Arising from Revised FRS 3 (2010)
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease
IC Interpretation 12	Servicing Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs (2010)	Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134 And FRS 139

IC Interpretation 12 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.

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A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2011 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.

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 July 2011, Superlon Holdings Berhad ("SHB") bought back from the open market, 100,000 shares SHB share listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.37 per share. The total consideration paid for the share buy-back of SHB shares during the financial period ended 31 July 2011, including transaction cost, was RM37,774.35 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 July 2011.

A8. DIVIDEND PAID

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

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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>	
	<u>Current Year Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year Corresponding Period</u>
	<u>31-Jul-11</u>	<u>31-Jul-10</u>	<u>31-Jul-11</u>	<u>31-Jul-10</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue				
- Manufacturing	15,026	13,012	15,026	13,012
- Trading	537	426	537	426
- Steel Pipes	1,034	2,456	1,034	2,456
	<u>16,597</u>	<u>15,894</u>	<u>16,597</u>	<u>15,894</u>
Profit before tax				
- Manufacturing	600	795	600	795
- Trading	69	25	69	25
- Steel Pipes	(239)	(212)	(239)	(212)
	<u>430</u>	<u>608</u>	<u>430</u>	<u>608</u>
Less : Unallocated corporate cost	(99)	(72)	(99)	(72)
	<u>331</u>	<u>536</u>	<u>331</u>	<u>536</u>

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

On 13 July 2011, the Company incorporated a wholly owned subsidiary, Superlon Hong Kong Co Limited ("Superlon-HK"). Superlon-HK was incorporated in Hong Kong with an issued capital of 10,000 ordinary shares of HKD1.00 each.

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.

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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 RM16.6 million was higher by RM0.7 million as compared to the same corresponding quarter last year.

However, the Group's profit before tax decreased to RM0.331 million in the current quarter as compared to profit before tax of RM0.536 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 a decrease of 8% to RM16.6 million as compared to RM18 million in the preceding quarter.

The group registered a profit before tax of RM0.331 million in the current quarter as compared to a loss before tax of RM0.452 million in the preceding quarter. Profit after tax of the Group increased to RM0.224 million compared to loss before tax of RM0.180 in the preceding.

B3. COMMENTARY ON PROSPECTS

Barring any unforeseen circumstances and based on the present trend of demand, the Board expects the Group to achieve positive results for the financial year ending 30th April 2012.

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-July-11	31-July-10	31-July-11	31-July-10
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation				
-Current tax expense	67	168	67	168
-Under/(over) provision	-	-	-	-
Deferred tax expenses	40	44	40	44
	<u>107</u>	<u>212</u>	<u>107</u>	<u>212</u>

The tax expense for the current quarter ended 31 July 2011 is derived based on statutory current tax rate of 25% (YA2012) 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.

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.

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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 July 2011.

B8. CORPORATE PROPOSAL

On 27 July 2011, Superlon-HK entered into a conditional sale and purchase agreement with Kuo Sen-Tsung (“the Vendor”) for the acquisition of the entire paid-up capital in Guangzhou Mutian Rubber Goods Limited (“GMR”) from the Vendor for a total cash consideration of USD900,000. As at the date of this report, the acquisition has yet to be completed.

B9. BORROWINGS

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

	Current Year Quarter	
	31-Jul-11	
<u>Secured</u>	Short Term	Long Term
	RM’000	RM’000
Bank overdraft	13	-
Bank borrowings		
- Trade Facility	6,578	-
- Term Loan	259	2,569
Finance leases	156	340
	<u>7,006</u>	<u>2,909</u>

B10. OUSTANDING DERIVATIVES

With the adoption of FRS 139, there are currently no off balance sheet derivatives.

As at 31 July 2011, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter	
	31-Jul-11	
	Fair Value	Gain/ (Loss) from
	31-Jul-11	Change in Fair Value
	RM’000	Assets/(Liabilities)
		31-Jul-11
		RM’000
Foreign exchange contract		
-Less than 1 year	742	3

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.

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B12. PROPOSED DIVIDEND

A final single-tier dividend of 2.4% or 1.2 sen per ordinary share in respect the financial year ended 30 April 2011 was approved by the shareholders at the Annual General Meeting held on 23 September 2011. The dividend entitlement is on 20 October 2011 and payment date is on 11 November 2011.

B13. EARNINGS PER SHARE (“EPS”)

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u> <u>31-Jul-11</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Jul-10</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>31-Jul-11</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31-Jul-10</u> <u>RM'000</u>
Profit attributable to owners of the Parent (RM '000)	334	422	334	422
Number of ordinary shares of RM 0.50 in issue ('000)	79,472	79,641	79,472	79,641
Basic earnings per share (sen)	0.42	0.53	0.42	0.53

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

B.14 REALISED AND UNREALISED RETAINED PROFITS

The breakdown of the retained earnings of the Group as at 31 July 2011, into realised and unrealised profits, is as follows :

	Current Year Quarter 31-Jul-11 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	34,433
-Unrealised loss	(3,720)
	<u>30,713</u>
Less : Consolidation adjustments	(17,571)
	<u>13,142</u>

By Order of the Board

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

Kuala Lumpur
23 September 2011