

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 2ND QUARTER ENDED 31 OCTOBER 2011**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>31-Oct-11</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-Oct-10</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>31-Oct-11</u> <u>RM'000</u>	<u>Preceding Year Corresponding Period</u> <u>31-Oct-10</u> <u>RM'000</u>
Revenue	13,889	16,323	30,486	32,217
Cost of sales	(12,264)	(13,481)	(26,462)	(26,730)
Gross profit	1,625	2,842	4,024	5,487
Other income	543	119	693	264
Selling & distribution expenses	(995)	(1,089)	(1,930)	(2,116)
Administrative expenses	(982)	(1,311)	(2,059)	(2,339)
Finance costs	(180)	(210)	(386)	(409)
Profit before tax	11	351	342	887
Income tax expense	3	(158)	(104)	(370)
Profit for the period	14	193	238	517
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	14	193	238	517
Profit attributable to :				
Owners of the Parent	183	283	518	705
Non-Controlling Interest	(169)	(90)	(280)	(188)
	14	193	238	517
Basic earnings per share (sen)	0.23	0.36	0.66	0.89

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 OCTOBER 2011**

	<b>Current Quarter 31-Oct-11 RM'000</b>	<b>Audited 30-April-11 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,694	43,355
Intangible asset	2,165	1,944
Other Investment	47	47
Scheduled receivable	390	468
	<u>44,296</u>	<u>45,814</u>
<b>Current Assets</b>		
Inventories	13,996	11,976
Trade and other receivables	11,278	12,251
Derivative asset	-	23
Deposit, cash and bank balances	4,857	7,414
	<u>30,131</u>	<u>31,664</u>
<b>TOTAL ASSETS</b>	<u><u>74,427</u></u>	<u><u>77,478</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	40,000	40,000
Share premium	2,049	2,049
Treasury shares	(605)	(194)
Retained profits	13,326	12,808
	<u>54,770</u>	<u>54,663</u>
<b>Non-controlling interests</b>	339	619
<b>Total Equity</b>	<u>55,109</u>	<u>55,282</u>
<b>Non-current liabilities</b>		
Bank borrowings	2,503	2,633
Scheduled payable	500	608
Finance leases	300	380
Deferred tax liability	2,779	2,700
	<u>6,082</u>	<u>6,321</u>
<b>Current liabilities</b>		
Bank borrowings	7,338	7,975
Trade and other payables	5,697	7,679
Derivatives liabilities	39	-
Finance leases	159	154
Current tax payables	3	67
	<u>13,236</u>	<u>15,875</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>74,427</u></u>	<u><u>77,478</u></u>
 Net assets per ordinary share (sen)	 <u><u>69.80</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 OCTOBER 2011**

	←← Attributable to Owners of the Parent →→				Sub Total	Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Treasury Share	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	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

	←← Attributable to Owners of the Parent →→				Sub Total	Non-Controlling Interest	Total Equity
	Share Capital	Share Premium	Treasury Share	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 May 2011	40,000	2,049	(194)	12,808	54,663	619	55,282
Profit for the period	-	-	-	518	518	(280)	238
Share buy-back	-	-	(411)	-	(411)	-	(411)
Balance as at 31 October 2011	40,000	2,049	(605)	13,326	54,770	339	55,109

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 OCTOBER 2011**

	<b>Current Year Ended 31-Oct-11 RM'000</b>	<b>Preceding Year Ended 31-Oct-10 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	342	887
Adjustments for:		
Non-cash items	1,941	1,788
Non-operating items	251	235
Operating profit before working capital changes	<u>2,534</u>	<u>2,910</u>
Changes in working capital:		
Inventories	(2,021)	(2,686)
Trade and other receivables	1,428	(898)
Trade and other payables	(2,148)	(1,731)
Cash generated from/(absorbed into) operations	<u>(207)</u>	<u>(2,405)</u>
Interest paid	(275)	(295)
Tax paid	(128)	(514)
<b>Net cash from operating activities</b>	<u><u>(610)</u></u>	<u><u>(3,214)</u></u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of investment	-	69
Purchase of property, plant & equipment and development expenditure	(717)	(568)
Interest received	24	61
<b>Net cash used in investing activities</b>	<u><u>(693)</u></u>	<u><u>(438)</u></u>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(411)	(8)
Net movement in trade bills	(755)	2,978
Repayment of term loan	(123)	(153)
Repayment of finance leases	(76)	(210)
<b>Net cash from financing activities</b>	<u><u>(1,365)</u></u>	<u><u>2,607</u></u>
Net increase/(decrease) in cash and cash equivalents	(2,668)	(1,045)
Cash and cash equivalents as at beginning of financial year	6,613	6,397
Cash and cash equivalents at end of financial period	<u><u><b>3,945</b></u></u>	<u><u><b>5,352</b></u></u>
<b>Cash and cash equivalents at end of period comprise:</b>		
Deposits, Cash & Bank Balances	4,857	6,129
Overdraft	(912)	(777)
	<u><u><b>3,945</b></u></u>	<u><u><b>5,352</b></u></u>

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 quarter ended 31 October 2011, Superlon Holdings Berhad ("SHB") bought back from the open market, 1,105,000 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 quarter ended 31 October 2011, including transaction cost, was RM411,057.75 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 2011.

**A8. DIVIDEND PAID**

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 final dividend was paid on 11 November 2011 to shareholders whose names appeared on the company's Record of Depositors on 20 October 2011.

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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>
	<b>31-Oct-11</b>	<b>31-Oct-10</b>	<b>31-Oct-11</b>	<b>31-Oct-10</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue				
- Manufacturing	11,828	13,865	26,854	26,877
- Trading	265	418	802	844
- Steel Pipes	1,796	2,040	2,830	4,496
	<u>13,889</u>	<u>16,323</u>	<u>30,486</u>	<u>32,217</u>
Profit before tax				
- Manufacturing	493	643	1,094	1,437
- Trading	42	9	111	35
- Steel Pipes	(370)	(193)	(610)	(406)
	<u>165</u>	<u>459</u>	<u>595</u>	<u>1,066</u>
Less : Unallocated corporate cost	(154)	(108)	(253)	(179)
	<u>11</u>	<u>351</u>	<u>342</u>	<u>887</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**

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)**  
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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 RM13.9 million was lower by RM2.4 million as compared to the same corresponding quarter last year due to weaker demand from our Asia customers.

The Group's profit before tax decreased to RM0.011 million in the current quarter as compared to RM0.351 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 costs of raw material.

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

Revenue for the current quarter has a decrease of 16% to RM13.9 million as compared to RM16.6 million in the preceding quarter.

The group registered a profit before tax of RM0.011 million in the current quarter as compared to RM0.331 million in the preceding quarter. Profit after tax of the Group decreased to RM0.014 million compared to RM0.224 million in the preceding.

**B3. COMMENTARY ON PROSPECTS**

The Board expects the second half of the financial year to be challenging as the global economy remains volatile.

**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-Oct-11</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>31-July-10</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>31-Oct-11</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>31-Oct-10</b> <b>RM'000</b>
Malaysian Taxation				
-Current tax expense	(43)	80	24	249
-Under/(over) provision	-	-	-	-
Deferred tax expenses	40	78	80	121
	<u>(3)</u>	<u>158</u>	<u>104</u>	<u>370</u>

The tax expense for the current quarter ended 31 Oct 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 October 2011.

**B8. CORPORATE PROPOSAL**

On 27 July 2011, Superlon Hong Kong Co Limited (“SHK”) entered into a conditional sale and purchase agreement (“SPA”) 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. On 12 December 2011, the company had announced that the conditions precedent in the SPA was not fulfilled. Accordingly, the SPA has been terminated by SHK in accordance with terms and conditions contained therein.

**B9. BORROWINGS**

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

	<b>Current Year Quarter 31-Oct-11</b>	
	<b>Short Term RM’000</b>	<b>Long Term RM’000</b>
<u>Secured</u>		
Bank overdraft	912	-
Bank borrowings		
- Trade Facility	6,163	-
- Term Loan	263	2,503
Finance leases	159	300
	7,497	2,803

**B10. OUSTANDING DERIVATIVES**

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

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

	<b>Current Year Quarter 31-Oct-11</b>	
<b>Type of Derivative</b>	<b>Fair Value</b>	<b>Gain/ (Loss) from Change in Fair Value Assets/(Liabilities)</b>
	<b>31-Oct-11 RM’000</b>	<b>31-Oct-11 RM’000</b>
Foreign exchange contract		
-Less than 1 year	2,752	(39)

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</u> <u>Quarter</u> <u>31-Oct-11</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Quarter</u> <u>31-Oct-10</u> <u>RM'000</u>	<u>Current Year</u> <u>To Date</u> <u>31-Oct-11</u> <u>RM'000</u>	<u>Preceding Year</u> <u>Corresponding</u> <u>Period</u> <u>31-Oct-10</u> <u>RM'000</u>
Profit attributable to owners of the Parent (RM '000)	183	283	518	705
Number of ordinary shares of RM 0.50 in issue ('000)	78,467	79,596	78,467	79,596
Basic earnings per share (sen)	0.23	0.36	0.66	0.89

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 October 2011, into realised and unrealised profits, is as follows :

	<u>Current Year</u> <u>Quarter</u> <u>31-Oct-11</u> <u>RM'000</u>
The retained profits of the Company and its subsidiaries :	
-Realised profits	34,161
-Unrealised loss	(3,433)
	<u>30,728</u>
Less : Consolidation adjustments	(17,402)
	<u>13,326</u>

**By Order of the Board**

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

**Kuala Lumpur**  
**12 December 2011**