

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 JANUARY 2012

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year Quarter</u> <u>31-Jan-12</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter</u> <u>31-Jan-11</u> <u>RM'000</u>	<u>Current Year To Date</u> <u>31-Jan-12</u> <u>RM'000</u>	<u>Preceding Year Corresponding Period</u> <u>31-Jan-11</u> <u>RM'000</u>
Revenue	13,403	15,505	43,889	47,721
Cost of sales	(11,804)	(12,690)	(38,265)	(39,420)
Gross profit	1,599	2,815	5,624	8,301
Other income	346	50	1,067	314
Selling & distribution expenses	(857)	(1,011)	(2,788)	(3,126)
Administrative expenses	(1,202)	(1,180)	(3,289)	(3,519)
Finance costs	(176)	(195)	(562)	(604)
Profit / (Loss) before tax	(290)	479	52	1,366
Income tax expense	(37)	(151)	(141)	(521)
Profit / (Loss) for the period	(327)	328	(89)	845
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income / (loss) for the period	(327)	328	(89)	845
Profit / (Loss) attributable to :				
Owners of the Parent	(159)	418	359	1,123
Non-Controlling Interest	(168)	(90)	(448)	(278)
	(327)	328	(89)	845
Basic earnings / (loss) per share (sen)	(0.20)	0.53	0.46	1.41

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 JANUARY 2012

	Current Quarter 31-Jan-12 RM'000	Audited 30-April-11 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	40,756	43,355
Intangible asset	2,084	1,944
Other Investment	47	47
Scheduled receivable	337	468
	43,224	45,814
Current Assets		
Inventories	13,418	11,976
Trade and other receivables	9,006	12,251
Derivative asset	-	23
Deposit, cash and bank balances	5,324	7,414
	27,748	31,664
TOTAL ASSETS	70,972	77,478
<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	(628)	(194)
Retained profits	12,225	12,808
	53,646	54,663
Non-controlling interests	171	619
Total Equity	53,817	55,282
Non-current liabilities		
Bank borrowings	2,436	2,633
Scheduled payable	427	608
Finance leases	259	380
Deferred tax liability	2,764	2,700
	5,886	6,321
Current liabilities		
Bank borrowings	5,790	7,975
Trade and other payables	5,308	7,679
Derivatives liabilities	8	-
Finance leases	160	154
Current tax payables	3	67
	11,269	15,875
TOTAL EQUITY AND LIABILITIES	70,972	77,478
Net assets per ordinary share attributable to Owners of Parent (sen)	68.43	68.70

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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2012

	← Attributable to Owners of the Parent →				Sub Total	Non-Controlling Interest	Total Equity
	← Non-Distributable →		Distributable				
	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	-	-	-	1,123	1,123	(278)	845
Share buy-back	-	-	(28)	-	(28)	-	(28)
Final dividend	-	-	-	(1,394)	(1,394)	-	(1,394)
Balance as at 31 January 2011	40,000	2,049	(190)	12,601	54,460	1,005	55,465

	← Attributable to Owners of the Parent →				Sub Total	Non-Controlling Interest	Total Equity
	← Non-Distributable →		Distributable				
	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	-	-	-	359	359	(448)	(89)
Share buy-back	-	-	(434)	-	(434)	-	(434)
Final dividend	-	-	-	(942)	(942)	-	(942)
Balance as at 31 January 2012	40,000	2,049	(628)	12,225	53,646	171	53,817

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 PERIOD ENDED 31 JANUARY 2012

	Current Year Ended 31-Jan-12 RM'000	Preceding Year Ended 31-Jan-11 RM'000
Cash flows from operating activities		
Profit before tax	13	1,366
Adjustments for:		
Non-cash items	3,187	2,728
Non-operating items	370	363
	<hr/>	<hr/>
Operating profit before working capital changes	3,570	4,457
Changes in working capital:		
Inventories	(1,404)	(2,841)
Trade and other receivables	3,525	(466)
Trade and other payables	(2,615)	(1,675)
	<hr/>	<hr/>
Cash generated from/(absorbed into) operations	3,076	(525)
Interest paid	(404)	(439)
Tax paid	(134)	(762)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	2,538	(1,726)
Cash flows from investing activities		
Proceed from disposal of investment	-	-
Proceed from disposal of property, plant & equipment	-	69
Purchase of property, plant & equipment and development expenditure	(787)	(649)
Interest received	34	76
	<hr/>	<hr/>
Net cash used in investing activities	(753)	(504)
Cash flows from financing activities		
Purchase of treasury shares	(434)	(28)
Net movement in trade bills	(2,223)	3,451
Repayment of term loan	(185)	(223)
Repayment of finance leases	(115)	(320)
Dividend paid	(942)	(1,393)
	<hr/>	<hr/>
Net cash from/(used in) financing activities	(3,899)	1,487
Net decrease in cash and cash equivalents	(2,114)	(743)
Cash and cash equivalents as at beginning of financial year	6,613	6,397
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	4,499	5,654
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Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	5,324	6,189
Overdraft	(825)	(535)
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	4,499	5,654
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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.

SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)
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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 January 2012, Superlon Holdings Berhad ("SHB") bought back from the open market, 66,000 shares SHB share listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.35 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 31 January 2012, including transaction cost, was RM23,269.53 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. As at 31 January 2012, the number of treasury shares held in hand was 1,599,100 ordinary shares of RM0.50 each, at average buy-back price of RM0.39 per share.

A8. DIVIDEND PAID

At the Annual General Meeting on 23 September 2011, the shareholders has approved a final single-tier dividend of 2.4% or 1.2 sen per ordinary share in respect of financial year ended 30 April 2011. The final dividend was paid on 11 November 2011 to shareholders whose names appeared on the company's Record of Depositors on 15 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>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jan-12	31-Jan-11	31-Jan-12	31-Jan-11
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	12,095	13,301	38,949	40,565
- Trading	423	670	1,225	1,126
- Steel Pipes	885	1,534	3,715	6,030
	<u>13,403</u>	<u>15,505</u>	<u>43,889</u>	<u>47,721</u>
Profit before tax				
- Manufacturing	140	707	1,234	2,150
- Trading	(22)	56	90	84
- Steel Pipes	(303)	(194)	(914)	(600)
	<u>(185)</u>	<u>569</u>	<u>410</u>	<u>1,634</u>
Less : Unallocated corporate cost	<u>(105)</u>	<u>(90)</u>	<u>(358)</u>	<u>(268)</u>
	<u>(290)</u>	<u>479</u>	<u>52</u>	<u>1,366</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.

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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 RM13.4 million was lower by RM2.1 million as compared to the same corresponding quarter last year due to reduce order from customers in light of the uncertain world economic situation.

The Group incurred a loss before tax of RM0.29 million in the current quarter as compared to profit before tax of RM0.479 million during the same quarter of previous year mainly due to the loss incurred by the steel pipes and trading division.

The insulation division recorded revenue and profit before tax of RM12.1 million (2011:RM13.3 million) and RM0.14 million (2011:RM0.71 million) respectively. The decrease in the revenue is mainly due to the lower demand from our Asia and Oceania customers. In tandem with the lower revenue and higher cost of material due to uptrend in oil prices, the profit before tax from insulation division has decreased by RM0.57 million.

Revenue for the trading division of RM0.42 million (2011:RM0.67 million) was lower by RM0.25 million due to the weaker demand in copper pipes from local customer. The trading division incurred a loss before tax in current quarter of RM0.022 million compared to profit before tax of RM0.056 million during the same quarter of previous year.

Revenue for the steel pipes division recorded at RM0.89 million (2011:RM1.5 million) and incurred a loss before tax of RM0.3 million (2011:RM0.19 million). The lower revenue was due to the weaker demand of cold rolled steel pipes from our clientele in USA and has resulted in higher loss before tax.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has decreased by 4% to RM13.4 million as compared to RM13.9 million in the preceding quarter.

The group registered a loss before tax of RM0.29 million in the current quarter as compared to profit before tax of RM0.011 million in the preceding quarter. Loss after tax of the Group is RM0.327 million compared to profit before tax of RM0.014 million in the preceding quarter due to lower demand arising from the weakening and uncertain world economic situation.

B3. COMMENTARY ON PROSPECTS

The Board expects the remaining quarter of the financial year to be challenging as the global economy remains volatile and uncertain.

B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT

The Company did not issue any profit forecast for the year.

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B5. TAXATION

	<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-Jan-12</u>	<u>31-Jan-11</u>	<u>31-Jan-12</u>	<u>31-Jan-11</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysian Taxation				
-Current tax expense	52	143	76	392
-Under/(over) provision	-	(18)	-	(18)
Deferred tax expenses	(15)	26	65	147
	<u>37</u>	<u>151</u>	<u>141</u>	<u>521</u>

The tax expense for the current quarter ended 31 January 2012 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.

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 2012.

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>Current Year Quarter</u>	
	<u>31-Jan-12</u>	
<u>Secured</u>	<u>Short Term</u>	<u>Long Term</u>
	<u>RM'000</u>	<u>RM'000</u>
Bank overdraft	825	-
Bank borrowings		
- Trade Facility	4,695	-
- Term Loan	270	2,436
Finance leases	160	259
	<u>5,950</u>	<u>2,695</u>

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B10. OUSTANDING DERIVATIVES

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

As at 31 January 2012, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter 31-Jan-12	
	Fair Value	Gain/ (Loss) from Change in Fair Value Assets/(Liabilities)
	31-Jan-12 RM'000	31-Jan-12 RM'000
Foreign exchange contract -Less than 1 year	2,420	(8)

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.

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>	
	Current Year Quarter 31-Jan-12 RM'000	Preceding Year Corresponding Quarter 31-Jan-11 RM'000	Current Year To Date 31-Jan-12 RM'000	Preceding Year Corresponding Period 31-Jan-11 RM'000
Profit / (Loss) attributable to owners of the Parent (RM '000)	(159)	418	359	1,123
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	78,750	79,615	78,750	79,615
Basic earnings / (loss) per share (sen)	(0.20)	0.53	0.46	1.41

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