

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 2ND QUARTER ENDED 31 OCTOBER 2012**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter</b> <b>31-Oct-12</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>31-Oct-11</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>31-Oct-12</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>31-Oct-11</b> <b>RM'000</b>
Revenue	14,394	13,889	30,594	30,486
Cost of sales	(12,188)	(12,264)	(24,534)	(26,462)
Gross profit	2,206	1,625	6,060	4,024
Other income	245	543	396	693
Selling & distribution expenses	(909)	(995)	(2,094)	(1,930)
Administrative & operating expenses	(1,288)	(982)	(2,068)	(2,059)
Finance costs	(161)	(180)	(318)	(386)
Profit before tax	93	11	1,976	342
Income tax expense	259	3	(104)	(104)
Profit for the period	352	14	1,872	238
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	352	14	1,872	238
Profit / (Loss) attributable to :				
Owners of the Parent	352	183	1,969	518
Non-Controlling Interest	-	(169)	(97)	(280)
	352	14	1,872	238
Total comprehensive income / (loss) attributable to :				
Owners of the Parent	352	183	1,969	518
Non-Controlling Interest	-	(169)	(97)	(280)
	352	14	1,872	238
Basic earnings per share (sen)	0.45	0.23	2.52	0.66

Note:

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 April 2012 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 2012**

	<b>Current Quarter 31-Oct-12 RM'000</b>	<b>Audited 30-April-12 RM'000</b>
<b><u>ASSETS</u></b>		
<b>Non-current assets</b>		
Property, plant and equipment	34,440	37,613
Intangible asset	2,266	2,110
Other Investment	47	47
Other receivable	145	262
	36,898	40,031
<b>Current Assets</b>		
Inventories	12,933	14,575
Trade and other receivables	9,826	11,623
Derivative asset	1	-
Deposit, cash and bank balances	9,239	3,754
	31,999	29,952
<b>TOTAL ASSETS</b>	68,897	69,983
<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	(702)	(628)
Retained profits	12,296	11,305
	53,643	52,726
<b>Non-controlling interests</b>	-	(881)
<b>Total Equity</b>	53,643	51,845
<b>Non-current liabilities</b>		
Bank borrowings	2,224	2,372
Scheduled payable	168	327
Finance leases	247	218
Deferred tax liability	2,587	2,722
	5,226	5,639
<b>Current liabilities</b>		
Bank borrowings	3,718	5,151
Trade and other payables	5,858	7,182
Derivatives liabilities	-	4
Finance leases	184	162
Current tax payables	268	-
	10,028	12,499
<b>TOTAL EQUITY AND LIABILITIES</b>	68,897	69,983
Net assets per ordinary share attributable to Owners of Parent (sen)	68.55	67.25

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 2012 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 2012**

	←——— 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

  

	←——— 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 2012	40,000	2,049	(628)	11,305	52,726	(881)	51,845
Profit for the period	-	-	-	1,969	1,969	(97)	1,872
Share buy-back	-	-	(74)	-	(74)	-	(74)
Increase in stake in subsidiary	-	-	-	(978)	(978)	978	-
Balance as at 31 October 2012	40,000	2,049	(702)	12,296	53,643	-	53,643

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 2012 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 OCTOBER 2012**

	<b>Current Year Ended 31-Oct-12 RM'000</b>	<b>Preceding Year Ended 31-Oct-11 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	1,976	342
Adjustments for:		
Non-cash items	1,536	1,941
Non-operating items	173	251
Operating profit before working capital changes	3,685	2,534
Changes in working capital:		
Inventories	1,643	(2,021)
Trade and other receivables	1,961	1,428
Trade and other payables	(1,497)	(2,148)
Cash generated from operations	5,793	(207)
Interest paid	(203)	(275)
Tax paid	(7)	(128)
<b>Net cash from operating activities</b>	<b>5,583</b>	<b>(610)</b>
<b>Cash flows from investing activities</b>		
Proceed from disposal of property, plant & equipment	1,912	-
Purchase of property, plant & equipment and development expenditure	(300)	(717)
Interest received	30	24
<b>Net cash used in investing activities</b>	<b>1,642</b>	<b>(693)</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(74)	(411)
Net movement in trade bills	(1,449)	(755)
Repayment of term loan	(132)	(123)
Repayment of finance leases	(84)	(76)
<b>Net cash used in financing activities</b>	<b>(1,739)</b>	<b>(1,365)</b>
Net increase in cash and cash equivalents	5,485	(2,668)
Cash and cash equivalents as at beginning of financial year	3,754	6,613
Cash and cash equivalents at end of financial period	<b>9,239</b>	<b>3,945</b>
<b>Cash and cash equivalents at end of period comprise:</b>		
Deposits, Cash & Bank Balances	9,239	4,857
Overdraft	-	(912)
	<b>9,239</b>	<b>3,945</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 2012 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” or “the Company”) 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 2012. 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 2012.

This interim financial report is the Group’s first MFRS compliant condensed report and hence MFRS 1 : First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 May 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. There are no differences between the opening MFRS statement of financial and the statement of financial position presented under FRS’s at 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 2012 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 or after 1 May 2012 :

Amendments to FRS 1 (Revised)	:	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	:	Disclosures – Transfers of Financial Assets
Amendments to FRS 101 (Revised)	:	Presentation of Items of Other Comprehensive Income
Amendments to FRS 112	:	Recovery of Underlying Assets

In current financial year, the Group is adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (“MFRS”). In adopting the new framework, the Group is applying MFRS 1. MFRS 1 provides for certain optional exemption and certain mandatory exception for first-time MFRS adopters.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 May 2013 or later are provided in note 3 to the audited financial statements of the Group for the financial year ended 30 April 2012.

**A3. QUALIFICATION OF ANNUAL FINANCIAL STATEMENTS**

The latest audited consolidated financial statements of Superlon for the financial year ended 30 April 2012 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)**  
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**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 2012, Superlon Holdings Berhad (“SHB”) bought back from the open market 11,000 SHB shares listed on the Main Market of Bursa Malaysia Securities Berhad at an average buy-back price of RM0.42 per share. The total consideration paid for the share buy-back of SHB shares during the financial quarter ended 31 October 2012, including transaction cost, was RM4,696.43 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 October 2012, the number of treasury shares held in hand was 1,763,800 ordinary shares of RM0.50 each, at average buy-back price of RM0.40 per share.

**A8. DIVIDEND PAID**

The Board of Directors proposed a distribution of share dividend on the basis of 2 treasury shares listed and quoted on the Main Market of Bursa Securities for every 100 ordinary shares of RM 0.50 each held in the Company, fractions of treasury share to be disregarded. This dividend was approved by the shareholders at the Annual General Meeting held on 19 October 2012. The share dividend was credited on 30 November 2012 to the CDS accounts of shareholders whose name appeared on the company’s Record of Depositor on 19 November 2012.

**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>	
	<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-Oct-12</b>	<b>31-Oct-11</b>	<b>31-Oct-12</b>	<b>31-Oct-11</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue				
- Manufacturing	11,859	11,828	26,910	26,854
- Trading	1,790	265	2,600	802
- Steel Pipes	745	1,796	1,084	2,830
	<u>14,394</u>	<u>13,889</u>	<u>30,594</u>	<u>30,486</u>
Profit before tax				
- Manufacturing	90	493	2,344	1,094
- Trading	100	42	87	111
- Steel Pipes	(34)	(370)	(243)	(610)
	<u>156</u>	<u>165</u>	<u>2,188</u>	<u>595</u>
Less : Unallocated corporate cost	(63)	(154)	(212)	(253)
	<u>93</u>	<u>11</u>	<u>1,976</u>	<u>342</u>

**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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**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 RM14.4 million was higher by RM0.5 million as compared to the same corresponding quarter last year due to the increase sale of copper pipe sale to local customers.

The Group registered a profit before tax of RM0.09 million in the current quarter as compared to RM0.01 million during the same quarter of previous year

The insulation division recorded revenue and profit before tax of RM11.9 million (2011:RM11.8 million) and RM0.09 million (2011:RM0.49 million) respectively. The profit before tax from insulation division has decreased by RM0.4 million due to unfavourable exchange rate resulted in higher exchange loss.

Revenue for the trading division of RM1.8 million (2011:RM0.3 million) was higher by RM1.5 million due to the increase sale of copper pipe to local customers. The trading division profit before tax in current quarter has increased to RM0.1 million compared to RM0.04 million during the same quarter of previous year.

Revenue for the steel pipes division recorded at RM0.7 million (2011:RM1.8 million) and incurred a loss before tax of RM0.03 million (2011:RM0.37 million). Subsequent to the disposal of remaining inventories of steel pipes in this quarter, the operation of steel pipes has ceased during September 2012.

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

Revenue for the current quarter has decreased by 11% to RM14.4 million as compared to RM16.2 million in the preceding quarter.

The group registered a profit before tax of RM0.09 million in the current quarter as compared to RM1.9 million in the preceding quarter. Profit after tax of the Group is RM0.4 million compared to RM1.5 million in the preceding quarter due to lower profit margin and higher exchange loss.

**B3. COMMENTARY ON PROSPECTS**

Based on the present trend of demand with the completion of disposal of plant and machinery for the steel pipes division, the Board expects the Group to achieve better results for the financial year ending 30<sup>th</sup> April 2013.

**B4. VARIANCES FROM ACTUAL AND FORECAST PROFIT**

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



**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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**B5. TAXATION**

	<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-Oct-12</b>	<b>31-Oct-11</b>	<b>31-Oct-12</b>	<b>31-Oct-11</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian Taxation				
-Current tax expense	(99)	(43)	268	24
-Under/(over) provision	(27)	-	(30)	-
Deferred tax expenses	(133)	40	(134)	80
	<u>(259)</u>	<u>(3)</u>	<u>104</u>	<u>104</u>

The tax expense for the current quarter ended 31 October 2012 is derived based on statutory current tax rate of 25% (YA2013) 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 October 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>Secured</u>	<b>Current Year Quarter</b>	
	<b>31-Oct-12</b>	
	<b>Short Term</b>	<b>Long Term</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank overdraft	-	-
Bank borrowings		
- Trade Facility	3,435	-
- Term Loan	283	2,224
Finance leases	184	247
	<u>3,902</u>	<u>2,471</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 October 2012, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter 31-Oct-12	
	Fair Value	Gain/ (Loss) from Change in Fair Value Assets/(Liabilities)
	31-Oct-12 RM'000	31-Oct-12 RM'000
Foreign exchange contract -Less than 1 year	1,070	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.

**B12. PROPOSED DIVIDEND**

There is no dividend proposed or declared during the current quarter under review.

**SUPERLON HOLDINGS BERHAD (COMPANY NO. 740412 X)**  
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**B13. EARNINGS PER SHARE (“EPS”)**

The basic EPS are computed as following:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter 31-Oct-12 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Oct-11 RM'000</b>	<b>Current Year To Date 31-Oct-12 RM'000</b>	<b>Preceding Year Corresponding Period 31-Oct-11 RM'000</b>
Profit attributable to owners of the Parent (RM '000)	352	183	1,969	518
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	78,252	78,467	78,252	78,467
Basic earnings per share (sen)	0.45	0.23	2.52	0.66

The diluted earnings per share for the Company is not presented as there are no potential dilutive 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 2012, into realised and unrealised profits, is as follows :

	<b>Current Year Quarter 31-Oct-12 RM'000</b>
The retained profits of the Company and its subsidiaries :	
-Realised profits	27,295
-Unrealised loss	(2,684)
	<u>24,611</u>
Less : Consolidation adjustments	(12,315)
	<u>12,296</u>

**By Order of the Board**

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

**Kuala Lumpur**  
**11 December 2012**