

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 31 JANUARY 2013

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter 31-Jan-13 RM'000	Preceding Year Corresponding Quarter 31-Jan-12 RM'000	Current Year To Date 31-Jan-13 RM'000	Preceding Year Corresponding Period 31-Jan-12 RM'000
Revenue	15,202	13,403	45,796	43,889
Cost of sales	(11,813)	(11,804)	(36,346)	(38,265)
Gross profit	3,389	1,599	9,450	5,624
Other income	283	346	671	1,067
Selling & distribution expenses	(1,054)	(857)	(3,149)	(2,788)
Administrative & operating expenses	(1,020)	(1,202)	(3,079)	(3,289)
Finance costs	(158)	(176)	(476)	(562)
Profit / (Loss) before tax	1,440	(290)	3,417	52
Income tax expense	(348)	(37)	(452)	(141)
Profit / (Loss) for the period	1,092	(327)	2,965	(89)
Other comprehensive income :				
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income / (loss) for the period	1,092	(327)	2,965	(89)
Profit / (Loss) attributable to :				
Owners of the Parent	1,092	(159)	3,062	359
Non-Controlling Interest	-	(168)	(97)	(448)
	1,092	(327)	2,965	(89)
Total comprehensive income / (loss) attributable to :				
Owners of the Parent	1,092	(159)	3,062	359
Non-Controlling Interest	-	(168)	(97)	(448)
	1,092	(327)	2,965	(89)
Basic earnings / (loss) per share (sen)	1.39	(0.20)	3.90	0.46

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 JANUARY 2013

	Current Quarter 31-Jan-13 RM'000	Audited 30-April-12 RM'000
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	34,640	37,613
Intangible asset	2,298	2,110
Other Investment	47	47
Other receivable	76	261
	37,061	40,031
Current Assets		
Inventories	12,633	14,575
Trade and other receivables	9,523	11,623
Derivative asset	-	-
Deposit, cash and bank balances	11,178	3,754
	33,334	29,952
TOTAL ASSETS	70,395	69,983
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Parent		
Share capital	40,000	40,000
Share premium	1,433	2,049
Treasury shares	(86)	(628)
Retained profits	13,389	11,305
	54,736	52,726
Non-controlling interests	-	(881)
Total Equity	54,736	51,845
Non-current liabilities		
Bank borrowings	2,151	2,372
Scheduled payable	76	327
Finance leases	696	218
Deferred tax liability	2,773	2,722
	5,696	5,639
Current liabilities		
Bank borrowings	3,218	5,151
Trade and other payables	6,129	7,182
Derivatives liabilities	2	4
Finance leases	184	162
Current tax payables	430	-
	9,963	12,499
TOTAL EQUITY AND LIABILITIES	70,395	69,983
Net assets per ordinary share attributable to Owners of Parent (sen)	68.59	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)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2013

	← 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

	← 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 2012	40,000	2,049	(628)	11,305	52,726	(881)	51,845
Profit for the period	-	-	-	3,062	3,062	(97)	2,965
Share buy-back	-	-	(74)	-	(74)	-	(74)
Increase in stake in subsidiary	-	-	-	(978)	(978)	978	-
Distribution of dividend	-	(616)	616	-	-	-	-
Balance as at 31 January 2013	40,000	1,433	(86)	13,389	54,736	-	54,736

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 JANUARY 2013

	Current Year Ended 31-Jan-13 RM'000	Preceding Year Ended 31-Jan-12 RM'000
Cash flows from operating activities		
Profit before tax	3,417	52
Adjustments for:		
Non-cash items	2,090	3,187
Non-operating items	262	370
Operating profit before working capital changes	5,769	3,609
Changes in working capital:		
Inventories	1,942	(1,443)
Trade and other receivables	2,446	3,525
Trade and other payables	(1,285)	(2,615)
Cash generated from / (used in) operations	8,872	3,076
Interest paid	(302)	(404)
Tax paid	(7)	(134)
Net cash from / (used in) operating activities	8,563	2,538
Cash flows from investing activities		
Proceed from disposal of property, plant & equipment	1,926	-
Purchase of property, plant & equipment and development expenditure	(729)	(787)
Interest received	40	34
Net cash from / (used in) investing activities	1,237	(753)
Cash flows from financing activities		
Purchase of treasury shares	(74)	(434)
Net movement in trade bills	(1,955)	(2,223)
Repayment of term loan	(199)	(185)
Repayment of finance leases	(148)	(115)
Dividend paid	-	(942)
Net cash used in financing activities	(2,376)	(3,899)
Net increase in cash and cash equivalents	7,424	(2,114)
Cash and cash equivalents as at beginning of financial year	3,754	6,613
Cash and cash equivalents at end of financial period	11,178	4,499
Cash and cash equivalents at end of period comprise:		
Deposits, Cash & Bank Balances	11,178	5,324
Overdraft	-	(825)
	11,178	4,499

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.

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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 :-

On 30 November 2012, the Company distributed 1,564,721 treasury shares as share dividend to shareholders on the basis of 2 Treasury Shares for every 100 ordinary shares of RM0.50 each held in the Company on 19 November 2012.

As at 31 January 2013, the number of treasury shares held in hand was 199,079 ordinary shares of RM0.50 each, at average buy-back price of RM0.43 per share.

A8. DIVIDEND PAID

As disclosed in Note A7, the Company distributed a share dividend during the quarter under review.

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-13	31-Jan-12	31-Jan-13	31-Jan-12
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Manufacturing	13,622	12,095	40,532	38,949
- Trading	1,580	423	4,180	1,255
- Steel Pipes	-	885	1,084	3,715
	<u>15,202</u>	<u>13,403</u>	<u>45,796</u>	<u>43,889</u>
Profit before tax				
- Manufacturing	1,489	140	3,834	1,234
- Trading	69	(22)	156	90
- Steel Pipes	-	(303)	(243)	(914)
	<u>1,558</u>	<u>(185)</u>	<u>3,747</u>	<u>410</u>
Less : Unallocated corporate cost	(118)	(105)	(330)	(358)
	<u>1,440</u>	<u>(290)</u>	<u>3,417</u>	<u>52</u>

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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 RM15.2 million was higher by RM1.8 million as compared to the same corresponding quarter last year due to the increase in export insulation sales and copper pipe sale to local customers.

The Group registered a profit before tax of RM1.4 million in the current quarter as compared to loss before tax of RM0.3 million during the same quarter of previous year.

The insulation division recorded revenue and profit before tax of RM13.6 million (2012:RM12.1 million) and RM1.5 million (2012:RM0.14 million) respectively. The profit before tax from insulation division has increased by RM1.4 million due to higher contribution from increased sales of insulation products and lower cost of material.

Revenue for the trading division of RM1.6 million (2012:RM0.4 million) was higher by RM1.2 million due to the increase sale of copper pipe to local customers. The trading division profit before tax in current quarter has increased to RM0.07 million compared to loss before tax of RM0.02 million during the same quarter of previous year.

B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

Revenue for the current quarter has increased by 6% to RM15.2 million as compared to RM14.4 million in the preceding quarter.

The group registered a profit before tax of RM1.4 million in the current quarter as compared to RM0.09 million in the preceding quarter. Profit after tax of the Group is RM1.1 million compared to RM0.4 million in the preceding quarter.

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 30th April 2013.

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>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Jan-13	31-Jan-12	31-Jan-13	31-Jan-12
	RM'000	RM'000	RM'000	RM'000
Malaysian Taxation				
-Current tax expense	162	52	431	76
-Under/(over) provision	-	-	51	-
Deferred tax expenses	186	(15)	(30)	65
	<u>348</u>	<u>37</u>	<u>452</u>	<u>141</u>

The tax expense for the current quarter ended 31 January 2013 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 January 2013.

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:

	Current Year Quarter	
	31-Jan-13	
<u>Secured</u>	Short Term	Long Term
	RM'000	RM'000
Bank overdraft	-	-
Bank borrowings		
- Trade Facility	2,930	-
- Term Loan	288	2,151
Finance leases	184	696
	<u>3,402</u>	<u>2,847</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 2013, the Group has the following outstanding foreign exchange contract :-

Type of Derivative	Current Year Quarter	
	31-Jan-13	
	Fair Value	Gain/ (Loss) from Change in Fair Value Assets/(Liabilities)
	31-Jan-13	31-Jan-13
	RM'000	RM'000
Foreign exchange contract		
-Less than 1 year	309	(2)

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.

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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>Preceding Year Corresponding Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year Corresponding Period</u>
	<u>31-Jan-13</u>	<u>31-Jan-12</u>	<u>31-Jan-13</u>	<u>31-Jan-12</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to owners of the Parent (RM '000)	1,092	(159)	3,062	359
Weighted average number of ordinary shares of RM 0.50 in issue ('000)	78,598	78,858	78,598	78,858
Basic earnings / (loss) per share (sen)	1.39	(0.20)	3.90	0.46

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 January 2013, into realised and unrealised profits, is as follows :

	Current Year Quarter 31-Jan-13 RM'000
The retained profits of the Company and its subsidiaries :	
-Realised profits	28,463
-Unrealised loss	(2,634)
	<u>25,829</u>
Less : Consolidation adjustments	(12,440)
	<u>13,389</u>

By Order of the Board

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

Kuala Lumpur
15 March 2013