

# ENVAIR HOLDING BERHAD (412406-T)

## QUARTERLY REPORT

On consolidated results for the first quarter ended 31 March 2011  
The figures have not been audited.

### SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2011 RM'000	Preceding Year Corresponding Quarter 31.3.2010 RM'000	Current Year To Date 31.3.2011 RM'000	Preceding Year Corresponding Period 31.3.2010 RM'000
Revenue	146	4,384	146	4,384
Loss before tax	(526)	(987)	(526)	(987)
Taxation	-	-	-	-
Loss for the period	(526)	(987)	(526)	(987)
Loss attributable to ordinary equity holders of the parent	(526)	(987)	(526)	(987)
Basic loss per share (sen)	(0.44)	(0.83)	(0.44)	(0.83)
Proposed/Declared Dividend per share (sen)	N/A	N/A	N/A	N/A
			<b>As At End of Current Quarter</b>	<b>As At Preceding Financial Year End</b>
Net assets per share attributable to ordinary equity holders of the parent (sen)			<u>7.56</u>	<u>8.00</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)  
(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2011

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Revenue	146	4,384	146	4,384
Operating expenses	(439)	(5,141)	(439)	(5,141)
Other operating income	19	34	19	34
Depreciation	(147)	(155)	(147)	(155)
Finance costs	(105)	(109)	(105)	(109)
<b>Loss before taxation</b>	<u>(526)</u>	<u>(987)</u>	<u>(526)</u>	<u>(987)</u>
Taxation	-	-	-	-
<b>Loss after taxation</b>	<u>(526)</u>	<u>(987)</u>	<u>(526)</u>	<u>(987)</u>
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u><u>(526)</u></u>	<u><u>(987)</u></u>	<u><u>(526)</u></u>	<u><u>(987)</u></u>
<b>Loss per share (sen)</b>				
(a) Basic	<u><u>(0.44)</u></u>	<u><u>(0.83)</u></u>	<u><u>(0.44)</u></u>	<u><u>(0.83)</u></u>

**Notes:**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements hereto.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 1st quarter ended 31 March 2011

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(These figures have not been audited)

	Unaudited As at end of current quarter ended 31 March 2011 RM'000	Audited As at preceding financial year ended 31 December 2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	10,057	10,204
	<u>10,057</u>	<u>10,204</u>
<b>Current Assets</b>		
Inventories	3,148	3,262
Trade receivables	898	1,193
Other receivables and prepaid expenses	3,163	3,243
Tax recoverable	-	43
Fixed deposits with licensed banks	-	-
Cash and bank balances	130	130
<b>Total Current Assets</b>	<u>7,339</u>	<u>7,871</u>
<b>TOTAL ASSETS</b>	<u><u>17,396</u></u>	<u><u>18,075</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Issued capital	11,856	11,856
Share premium reserve	8,187	8,187
Revaluation reserve	2,554	2,554
Accumulated loss	(13,633)	(13,107)
<b>Total Equity</b>	<u>8,964</u>	<u>9,490</u>
<b>Non-Current Liabilities</b>		
Borrowing (Secured)	4,880	4,026
Deferred tax liabilities	19	19
	<u>4,899</u>	<u>4,045</u>
<b>Current Liabilities</b>		
Trade payables	425	440
Other payables and accruals	1,687	1,486
Amount owing to director	80	256
Borrowings : Bank overdrafts	927	951
: Others	412	1,405
Tax liabilities	2	2
<b>Total Current Liabilities</b>	<u>3,533</u>	<u>4,540</u>
<b>Total Liabilities</b>	<u>8,432</u>	<u>8,585</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>17,396</u></u>	<u><u>18,075</u></u>
Net assets per share of RM0.10 each (sen)	<u>7.56</u>	<u>8.00</u>

**Note :**

The condensed consolidated statement of financial position should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements hereto.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2011

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(These figures have not been audited)

Group	Note	Attributable to equity holders of the Company				Total
		Share Capital	Share Premium	Reserve on Revaluation	Accumulated Loss	
		RM'000	RM'000	RM'000	RM'000	RM'000
<b>(Audited)</b>						
<b>At 1 January 2010</b>		10,778	8,187	2,554	(7,222)	14,297
Issuance of shares during the period		1,078	-	-	-	1,078
Total comprehensive loss for the period		-	-	-	(987)	(987)
<b>At 31 March 2010</b>		<u>11,856</u>	<u>8,187</u>	<u>2,554</u>	<u>(8,208)</u>	<u>14,389</u>
<b>(Unaudited)</b>						
<b>At 1 January 2011</b>		11,856	8,187	2,554	(13,107)	14,389
Total comprehensive loss for the period		-	-	-	(526)	(526)
<b>At 31 March 2011</b>		<u>11,856</u>	<u>8,187</u>	<u>2,554</u>	<u>(13,633)</u>	<u>13,863</u>

**Note :**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements hereto.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 1st quarter ended 31 March 2011

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	Cumulative Current Year-to-date 31 March 2011 RM('000)	Preceding Year Corresponding Year-to-date 31 March 2010 RM('000)
<b>Cash Flows from Operating Activities</b>		
Loss before taxation	(526)	(987)
Adjustments for:		
Depreciation of property, plant and equipment	147	275
Finance costs	105	-
Operating loss before working capital changes	(274)	(712)
Net changes in current assets	532	(1,885)
Net changes in current liabilities	10	2,028
Cash generated from operations	268	(569)
Tax refund	-	8
Net cash from/(used in) operating activities	268	(561)
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	-	(125)
Net cash used in investing activities	-	(125)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares	-	1,078
Addition/(Repayment) of term loans	804	-
Repayment of finance lease obligations	(26)	-
Decrease in bank borrowings other than bank overdrafts and long term borrowings - current portion	(995)	-
Net cash from/(used in) financing activities	(217)	1,078
Net increase in cash and cash equivalents	51	392
Cash and cash equivalents at beginning of period	1,343	951
Cash and cash equivalents at end of period	1,394	1,343
<b>Cash and cash equivalents at end of period comprise:</b>		
Fixed deposits with licensed bank	-	2,208
Less: Fixed Deposits Pledged to financial institution	-	-
	-	2,208
Cash and bank balances	130	141
Bank overdrafts	(927)	(1,006)
	(797)	1,343

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 1st quarter ended 31 March 2011

### NOTES

#### A EXPLANATORY NOTES PURSUANT TO FRS134 INTERIM FINANCIAL REPORTING

##### A1 Accounting Policies and Basic of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Financial Reporting Standard ("FRS")134 - Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Securities Exchange") for the ACE Market, and should be read in conjunction with the Group's annual audited financial statements for the financial year ended 31 December 2010. The accounting policies and methods of computation adopted by the Group in the interim unaudited financial statements are consistent with those adopted for the financial year ended 31 December 2010.

##### A2 Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following new FRS, Amendments to FRSs and Interpretations that are effective for the financial periods beginning on or after 1 July 2010 and 1 January 2011:

Effective for financial periods beginning on or after 1 July 2010:

- FRS 1: First-time Adoption of Financial Reporting Standard
- FRS 3: Business Combination (Revised)
- FRS 127: Consolidated and Separate Financial Statements (Amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure fro First-time Adopters
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRSs 'Improvements to FRSs (2010)'
- IC Interpretation 4: Determining whether an Arrangement contains a Lease
- IC Interpretation 8: Transfers of Assets from Customers
- Improvements to FRS issued in 2010

The adoption of the above mentioned FRS, Amendments to FRS and Interpretation will have no material impact on the financial statements of the Group.

##### A3 Auditors' report

The auditors' report of the preceding annual financial statements was not subject to any qualification.

##### A4 Seasonality or cyclicity of interim operations

The Group's interim operations were not affected by seasonal or cyclical factors.

##### A5 Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

##### A6 Changes in estimates

There were no major changes in the estimates of amounts reported in prior interim periods of the current financial year or in prior financial years that have had a material effect on the results in the quarter review.

**A7 Issuance, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no major issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the quarter under review.

**A8 Dividend**

No dividend has been declared or paid during the period under review.

**A9 Segment reporting**

BUSINESS SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	YEAR	CORRESPONDING	TO DATE	CORRESPONDING
	QUARTER	QUARTER	PERIOD	PERIOD
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM('000)	RM('000)	RM('000)	RM('000)

**Segment Revenue**

Investment Holding	-	-	-	-
Air Filtration System, Fast Moving				
Consumer Product & Ancillary				
Support Services	103	62	103	62
Liquid Filtration System	-	4,122	-	4,122
Manufacturing	87	1,094	87	1,094
Total including inter-segment sales	190	5,278	190	5,278
Elimination of inter-segment sales	(44)	(894)	(44)	(894)
Total Revenue	146	4,384	146	4,384

**Segment Loss Before Tax**

Investment Holding	(236)	(292)	(236)	(292)
Air Filtration System, Fast Moving				
Consumer Product & Ancillary				
Support Services	(48)	(622)	(48)	(622)
Liquid Filtration System	(1)	155	(1)	155
Manufacturing	(241)	(228)	(241)	(228)
Unallocated Cost / Elimination	-	-	-	-
Total Loss Before Tax	(526)	(987)	(526)	(987)

**A10 Valuation of property, plant and equipment**

There has been no revaluation of property, plant and equipment during the financial quarter under review.

**A11 Subsequent material events**

There were no other material events subsequent to the end of the quarter under review which is likely to substantially affect the results of the operations of the Group for the quarter under review.

**A12 Changes in the composition of the Group**

There has been no material change in the composition of the Group during the quarter under review.

**A13 Changes in contingent liabilities or contingent assets**

As at 31 March 2011, the Group has the following contingent liabilities:

- i) Corporate guarantees issued to financial institutions for banking facilities extended to certain subsidiaries amounting to RM 7,733,000.

**A14 Capital commitments**

The Group does not have any capital commitment as at 31 March 2011.

**A15 Significant related party transactions**

There were no significant related party transactions during the quarter under review.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 1st quarter ended 31 March 2011

### NOTES

#### B ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS (APPENDIX 9B)

##### B1 Review of performance

The Group's turnover stood at RM146,000 during the current financial quarter under review, a substantial dip of about RM4.238 million as compared to the same quarter last year. The drop in the revenue is a result of lower project and trading activities.

##### B2 Variation of results against preceding quarter

	Current quarter 31 March 2011 RM'000	Preceding quarter 31 December 2010 RM'000
Revenue	146	237
Loss before tax	(526)	(2,553)

The substantial drop in revenue for the current quarter as compared to the preceding quarter of 38% is mainly due to lower project and trading activities.

The Group's loss before tax of RM526,000 for the current quarter was lower in view of lower expenses incurred, as compared to the previous quarter of RM2.553 million. The lower operating costs is mainly due to the decrease in right issue expenses and no allowance for doubtful debts provided for the current quarter.

##### B3 Prospects for current financial year

The Group does not expect any improvement in its performance and expect further losses for the coming quarter. However, the Group will continue to look into new products and will venture into new businesses so as to broaden the Group's revenue base.

##### B4 Profit forecast and profit guarantee

Not applicable as the Group has not previously provided a profit forecast in a public document or a profit guarantee.

##### B5 Taxation

No taxation was provided in the accounts as the Group incurred a losses during the quarter under review.

##### B6 Unquoted investments and properties

There were no disposal of unquoted investments or properties during the period under review.

##### B7 Quoted and marketable securities

The Company/Group does not hold any quoted or marketable securities as at 31 March 2011. There were no purchases or disposals of quoted securities for the current quarter.

##### B8 Status of corporate proposals

As at the date of this quarterly report, there are no corporate proposals announced by the Group which are pending completion.



**B9 Group borrowings and debt securities**

The following are the bank borrowings of the Group as at 31 March 2011:

	As at 31 March 2011 RM'000	As at 31 March 2010 RM'000
Short-Term Borrowings:		
Bank Overdraft	927	1,006
Bankers Acceptance / Trust Receipts	58	2,870
Hire Purchase Creditors	150	51
Term Loan (Secured)	204	404
Total	<u>1,339</u>	<u>4,331</u>
Non Current Borrowings:		
Hire Purchase Creditors	88	138
Term Loan (Secured)	4,792	4,006
Total	<u>4,880</u>	<u>4,144</u>

**B10 Off balance sheet financial instruments**

There was no off balance sheet financial instrument as at the date of this report.

**B11 Material litigation**

As at the date of this report, the Group has no material litigation which might materially and adversely affect the position or business of the Group.

**B12 Dividends**

The Directors do not recommend the payment of a dividend in respect of the current financial year.

**B13 Loss per share ("LPS")**

	Individual quarter ended 31 March 2011	Individual quarter ended 31 March 2010	Cumulative quarter ended 31 March 2011	Cumulative quarter ended 31 March 2010
<b>Basic LPS</b>				
Loss for the period (RM'000)	(526)	(987)	(526)	(987)
Ordinary Shares in Issue('000)	118,556	118,556	118,556	118,556
Basic LPS (sen)	<u>(0.44)</u>	<u>(0.83)</u>	<u>(0.44)</u>	<u>(0.83)</u>

Basic LPS is calculated by dividing the net loss for the period under review by the weighted average number of ordinary shares in issue during the period.

The Company does not have any financial instrument in issue or other contract that may entitle its holder to ordinary share which may dilute its basic LPS.

**B14. Realised and Unrealised Profits**

	As at 31 March 2011 RM '000
Total accumulated losses of the Company and its subsidiaries:	
- Realised	(13,614)
- Unrealised	<u>(19)</u>
Total group accumulated losses as per consolidated accounts	<u>(13,633)</u>

**B15. Authorisation For Issue**

The Interim Financial Statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27th May 2011.

By Order Of The Board  
Wong Yu Sun

Shah Alam  
Selangor Darul Ehsan  
27th May 2011