

# ENVAIR HOLDING BERHAD (412406-T)

## QUARTERLY REPORT

On consolidated results for the third quarter ended 30 September 2012

The figures have not been audited.

### SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.9.2012 RM'000	Preceding Year Corresponding Quarter 30.9.2011 RM'000	Current Year To Date 30.9.2012 RM'000	Preceding Year Corresponding Period 30.9.2011 RM'000
Revenue	356	283	771	599
Loss before tax	(13)	(900)	(441)	(1,716)
Taxation	-	-	-	-
Loss for the period	(13)	(900)	(441)	(1,716)
Loss attributable to ordinary equity holders of the parent	(13)	(900)	(441)	(1,716)
Basic loss per share (sen)	(0.01)	(0.76)	(0.37)	(1.45)
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>4.76</u>	<u>5.13</u>

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2012

## 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
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Revenue	356	283	771	599
Operating expenses	(131)	(930)	(522)	(1,588)
Other operating income	-	40	24	148
Depreciation	(135)	(143)	(405)	(437)
Finance costs	(103)	(150)	(309)	(438)
<b>Loss before taxation</b>	<u>(13)</u>	<u>(900)</u>	<u>(441)</u>	<u>(1,716)</u>
Taxation	-	-	-	-
<b>Loss after taxation</b>	<u>(13)</u>	<u>(900)</u>	<u>(441)</u>	<u>(1,716)</u>
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(13)</u>	<u>(900)</u>	<u>(441)</u>	<u>(1,716)</u>
<b>Loss per share (sen)</b>				
(a) Basic	<u>(0.01)</u>	<u>(0.76)</u>	<u>(0.37)</u>	<u>(1.45)</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 2011 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 3rd quarter ended 30 September 2012

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(These figures have not been audited)

	Unaudited As at end of current quarter ended 30 September 2012 RM'000	Audited As at preceding financial year ended 31 December 2011 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	9,197	9,594
	<u>9,197</u>	<u>9,594</u>
<b>Current Assets</b>		
Inventories	2,643	2,628
Trade receivables	745	232
Other receivables and prepaid expenses	982	850
Tax recoverable	-	43
Cash and bank balances	31	82
<b>Total Current Assets</b>	<u>4,402</u>	<u>3,835</u>
<b>TOTAL ASSETS</b>	<u>13,599</u>	<u>13,429</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	(16,950)	(16,509)
<b>Total Equity</b>	<u>5,647</u>	<u>6,088</u>
<b>Non-Current Liabilities</b>		
Borrowing (Secured)	4,095	4,093
Deferred tax liabilities	15	15
	<u>4,110</u>	<u>4,108</u>
<b>Current Liabilities</b>		
Trade payables	307	321
Other payables and accruals	617	627
Amount owing to director	562	528
Amount owing to shareholder	1,291	-
Borrowings: Bank overdrafts	915	902
: Others	149	853
Tax liabilities	2	2
<b>Total Current Liabilities</b>	<u>3,843</u>	<u>3,233</u>
<b>Total Liabilities</b>	<u>7,952</u>	<u>7,341</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>13,599</u>	<u>13,429</u>
Net assets per share of RM0.10 each (sen)	<u>4.76</u>	<u>5.13</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 2011 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 3rd quarter ended 30 September 2012

## 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>						
At 1 January 2011		10,778	8,187	2,554	(13,107)	8,412
Issuance of shares during the year		1,078	-	-	-	1,078
Total comprehensive loss for the year		-	-	-	(3,402)	(3,402)
<b>At 31 December 2011</b>		<b>11,856</b>	<b>8,187</b>	<b>2,554</b>	<b>(16,509)</b>	<b>6,088</b>
<b>(Unaudited)</b>						
At 1 January 2012		11,856	8,187	2,554	(16,509)	6,088
Total comprehensive loss for the period		-	-	-	(441)	(441)
<b>At 30 September 2012</b>		<b>11,856</b>	<b>8,187</b>	<b>2,554</b>	<b>(16,950)</b>	<b>5,647</b>

**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 2011 and the accompanying explanatory notes attached to the financial statements hereto.

# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

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Quarterly report on consolidated results for the 3rd quarter ended 30 September 2012

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	Cumulative Current Year-to-date 30 September 2012 RM('000)	Preceding Year Corresponding Year-to-date 31 December 2011 RM('000)
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	258	1,096
Cash paid to suppliers and employees	(273)	(636)
Cash used in operations	(637)	(44)
Net cash from/(used in) operating activities	<u>(652)</u>	<u>416</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	101
Net cash from investing activities	<u>-</u>	<u>101</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of term loans	(667)	(319)
Repayment of finance lease obligations	(33)	(126)
Decrease in bank borrowings other than bank overdrafts and long term borrowings - current portion	(4)	(70)
Advance from shareholder	1,291	-
Net cash from/(used in) financing activities	<u>587</u>	<u>(515)</u>
Net increase/(decrease) in cash and cash equivalents	(65)	2
Cash and cash equivalents at beginning of period	<u>(819)</u>	<u>(821)</u>
Cash and cash equivalents at end of period	<u>(884)</u>	<u>(819)</u>
<b>Cash and cash equivalents at end of period comprise:</b>		
Cash and bank balances	31	83
Bank overdrafts	(915)	(902)
	<u>(884)</u>	<u>(819)</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 3rd quarter ended 30 September 2012

## NOTES

### A EXPLANATORY NOTES PURSUANT TO MFRS134 INTERIM FINANCIAL REPORTING

#### A1 Accounting Policies and Basic of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS")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 2011. 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 2011.

#### A2 Changes in Accounting Policies

Since the previous audited financial statements as at 31 December 2011 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standard ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board ("IASB"). The following are the newly-issued accounting framework - MFRS and IC Interpretations ("IC Int.") to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 January 2012:

- MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- MFRS 2: Share-based Payment
- MFRS 3: Business Combinations
- MFRS 5: Non-current Assets Held for Sale and Discontinued Operations
- MFRS 7: Financial Instruments: Disclosures
- MFRS 8: Operating Segments
- MFRS 101: Presentation of Financial Statements
- MFRS 107: Statement of Cash Flows
- MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors
- MFRS 110: Events after the Reporting Period
- MFRS 112: Income Taxes
- MFRS 116: Property, Plant and Equipment
- MFRS 118: Revenue
- MFRS 119: Employee Benefits
- MFRS 121: The Effects of Changes in Foreign Exchange Rates
- MFRS 124: Related Party Disclosures
- MFRS 127: Consolidated and Separate Financial Statements
- MFRS 128: Investment in Associates
- MFRS 132: Financial Instruments: Presentation
- MFRS 133: Earnings Per Share
- MFRS 134: Interim Financial Reporting
- MFRS 136: Impairment of Assets
- MFRS 137: Provisions, Contingent Liabilities and Contingent Assets
- MFRS 138: Intangible Assets
- MFRS 139: Financial Instruments: Recognition and Measurement
- Improvements to MFRSs

The adoption of the above 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 YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 September 2012	30 September 2011	30 September 2012	30 September 2011
	RM('000)	RM('000)	RM('000)	RM('000)
<b><u>Segment Revenue</u></b>				
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	356	33	713	223
Manufacturing	-	274	59	446
Total including inter-segment sales	356	307	772	669
Elimination of inter-segment sales	-	(24)	(1)	(70)
Total Revenue	356	283	771	599
<b><u>Segment Loss Before Tax</u></b>				
Investment Holding	(123)	(651)	(401)	(981)
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	334	(72)	640	(81)
Liquid Filtration System	-	(2)	-	(5)
Manufacturing	(224)	(175)	(680)	(649)
Total Loss Before Tax	(13)	(900)	(441)	(1,716)

**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 30 September 2012, the Group is contingently liable for corporate guarantees issued to financial institutions for banking facilities extended to certain subsidiaries amounting to RM7,733,000.

**A14 Capital commitments**

The Group does not have any capital commitment as at 30 September 2012.

**A15 Significant related party transactions**

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

**A16 Loss before taxation**

	INDIVIDUAL QUARTER 30 September 2012 RM('000)	CUMULATIVE QUARTER 30 September 2012 RM('000)
Loss before taxation is arrived at after charging/(crediting):		
Depreciation and amortisation	135	405
Interest expenses	103	309
Rental income	-	(24)
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# ENVAIR HOLDING BERHAD

(Company No: 412406-T)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 3rd quarter ended 30 September 2012

### NOTES

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

##### B1 Review of performance

The Group posted a 28% hike in revenue for the current financial quarter as compared to that achieved in the same quarter preceding year. The increase in the revenue is a result of higher sales of filtration products due to improved trading activities.

The Group's loss before tax has improved substantially by about RM887,000 for the current quarter as compared to preceding year quarter due to higher revenue generated during the current financial quarter. Lower operating expenses were mainly due to lower salaries paid for current quarter has also contributed to the significant decrease in the loss for the current quarter.

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

	Current quarter 30 September 2012 RM'000	Preceding quarter 30 June 2012 RM'000
Revenue	356	373
Profit/(Loss) before tax	(13)	6

The decrease in revenue for the current quarter as compared to the preceding quarter of about RM17,000 is mainly due to the decrease in sales of filtration products.

The Group incurred a loss before tax of RM13,000 for the current quarter as compared to the reported profit RM6,000 in the preceding quarter mainly due to higher operating expenses incurred for the current financial quarter namely salaries and its related costs for the current quarter.

##### B3 Prospects for current financial year

The management is aware of the poor financial results of the Group and are deliberating on the viability of the existing business of the Group and are considering options available to improve its long term and sustainable future growth. The Group has also entered into a joint collaboration to venture into the oil and gas services sector. The Group expects that the proposed collaboration will contribute positively to the earnings of the Group for the next financial year subject to the approval of the relevant authority.

##### 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 financial statements as the Group incurred 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 30 September 2012. There were no purchases or disposals of quoted securities for the current quarter.

## B8 Status of corporate proposals

On 18 October 2011, the Company proposed to undertake a private placement of up to 35,566,740 new ordinary shares of RM0.10 each in the Company, representing up to thirty percent of the existing issued and paid up share capital of the Company. The Proposed Private Placement is subject to the approvals from the shareholders of the Company and relevant authorities.

As at this date of the report, there is no further development on the above.

## B9 Group borrowings and debt securities

The following are the bank borrowings of the Group as at 30 September 2012:

	As at 30 September 2012 RM'000	As at 30 September 2011 RM'000
Short-Term Borrowings:		
Bank Overdraft	915	927
Bankers Acceptance / Trust Receipts	31	58
Hire Purchase Creditors	90	150
Term Loan (Secured)	-	204
Total	<u>1,036</u>	<u>1,339</u>
Non Current Borrowings:		
Hire Purchase Creditors	28	88
Term Loan (Secured)	4,095	4,792
Total	<u>4,123</u>	<u>4,880</u>

## B10 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.

## B11 Dividends

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

## B12 Loss per share ("LPS")

	Individual quarter ended 30 September 2012	Individual quarter ended 30 September 2011	Cumulative quarter ended 30 September 2012	Cumulative quarter ended 30 September 2011
<b>Basic LPS</b>				
Loss for the period (RM'000)	(13)	(900)	(441)	(1,716)
Ordinary Shares in Issue('000)	118,556	118,556	118,556	118,556
Basic LPS (sen)	<u>(0.01)</u>	<u>(0.76)</u>	<u>(0.37)</u>	<u>(1.45)</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.

**B13 Realised and Unrealised Profits**

As at  
30  
September  
2012  
RM '000

Total accumulated losses of the Company and its subsidiaries:

- Realised	(16,935)
- Unrealised	(15)

Total group accumulated losses as per consolidated accounts

(16,950)

**B14 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

By Order Of The Board  
Ezrul Ehsan Bin Ismail

Shah Alam  
Selangor Darul Ehsan