

# RAYA INTERNATIONAL BERHAD(412406-T)

(formerly known as ENVAIR HOLDING BERHAD)

## QUARTERLY REPORT

On consolidated results for the third quarter ended 30 September 2013

The figures have not been audited.

### SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.9.2013 RM'000	Quarter Ended 30.9.2012 RM'000	Period Ended 30.9.2013 RM'000	Period Ended 30.9.2012 RM'000
Revenue	630	356	1,775	771
Loss before tax	(122)	(13)	(40)	(441)
Income tax expense	-	-	-	-
Loss for the period	(122)	(13)	(40)	(441)
Loss attributable to ordinary equity holders of the parent	(122)	(13)	(40)	(441)
Basic loss per share (sen)	(0.10)	(0.01)	(0.03)	(0.37)
Proposed/Declared Dividend per share (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012.

# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2013

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30 September 2013 RM'000	QUARTER ENDED 30 September 2012 RM'000	PERIOD ENDED 30 September 2013 RM'000	PERIOD ENDED 30 September 2012 RM'000
Revenue	630	356	1,775	771
Operating expenses	(577)	(131)	(1,221)	(522)
Other operating income	-	-	83	24
Depreciation	(142)	(135)	(427)	(405)
Finance costs	(33)	(103)	(250)	(309)
<b>Loss before taxation</b>	<u>(122)</u>	<u>(13)</u>	<u>(40)</u>	<u>(441)</u>
Income tax expense	-	-	-	-
<b>Loss after taxation</b>	<u>(122)</u>	<u>(13)</u>	<u>(40)</u>	<u>(441)</u>
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive loss for the period</b>	<u>(122)</u>	<u>(13)</u>	<u>(40)</u>	<u>(441)</u>
<b>Loss per share (sen)</b>				
(a) Basic	<u>(0.10)</u>	<u>(0.01)</u>	<u>(0.03)</u>	<u>(0.37)</u>

### Notes:

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2013

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at 30 September 2013 RM'000	Audited As at 31 December 2012 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	8,587	9,014
Deferred tax assets	463	463
<b>Total Non-Current Assets</b>	<u>9,050</u>	<u>9,477</u>
<b>Current Assets</b>		
Inventories	911	1,770
Trade receivables	2,677	1,185
Other receivables and prepaid expenses	688	660
Tax recoverable	-	43
Cash and bank balances	47	12
<b>Total Current Assets</b>	<u>4,323</u>	<u>3,670</u>
<b>TOTAL ASSETS</b>	<u>13,373</u>	<u>13,147</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	11,856	11,856
Share premium reserve	8,187	8,187
Revaluation reserve	2,554	2,554
Accumulated loss	(16,476)	(16,436)
<b>Total Equity</b>	<u>6,121</u>	<u>6,161</u>
<b>Non-Current Liabilities</b>		
Borrowings (Secured)	4,320	4,064
Deferred tax liabilities	9	9
<b>Total Non-Current Liabilities</b>	<u>4,329</u>	<u>4,073</u>
<b>Current Liabilities</b>		
Trade payables	312	317
Other payables and accruals	693	1,333
Amounts owing to directors	977	98 *
Borrowings : Bank overdrafts	850	929
: Others	89	234
Tax liabilities	2	2
<b>Total Current Liabilities</b>	<u>2,923</u>	<u>2,913</u>
<b>Total Liabilities</b>	<u>7,252</u>	<u>6,986</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>13,373</u>	<u>13,147</u>
Net assets per share of RM0.10 each (sen)	<u>5.16</u>	<u>5.20</u>

\* Reclassified for comparative purposes

### Note :

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2013

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	Note	Attributable to equity holders of the Company			Total
		Share Capital	Share Premium	Reserve on Revaluation	
		RM'000	RM'000	RM'000	RM'000
<b>Period ended 30 September 2013</b>					
At 1 January 2013		11,856	8,187	2,554	6,161
Net loss for the period representing total comprehensive loss for the period		-	-	-	(40)
<b>At 30 September 2013</b>		<b>11,856</b>	<b>8,187</b>	<b>2,554</b>	<b>6,121</b>
<b>Period ended 30 September 2012</b>					
At 1 January 2012		11,856	8,187	2,554	6,088
Net loss for the period representing total comprehensive loss for the period		-	-	-	(441)
<b>At 30 September 2012</b>		<b>11,856</b>	<b>8,187</b>	<b>2,554</b>	<b>5,647</b>

### Note :

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 3rd quarter ended 30 September 2013

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	Period ended 30 September 2013 RM'000	Period ended 30 September 2012 RM'000
<b>Cash Flows From Operating Activities</b>		
Loss before taxation	(40)	(441)
Adjustments for:		
Depreciation of property, plant and equipment	427	405
Finance costs	250	309
Operating profit before working capital changes	637	273
Net change in current assets	(661)	(660)
Net change in current liabilities	388	1,335
Cash generated from operations	364	948
Interest paid	(250)	(309)
Net cash from operating activities	114	639
<b>Cash Flows From Financing Activities</b>		
Repayment of term loans	-	(667)
Repayment of finance lease obligations	-	(33)
Decrease in bank borrowings other than bank overdrafts and long term borrowings - current portion	-	(4)
Net cash used in financing activities	-	(704)
Net change in cash and cash equivalents	114	(65)
Cash and cash equivalents at beginning of year	(917)	(819)
Cash and cash equivalents at end of year	(803)	(884)
<b>Cash and cash equivalents at end of year comprise:</b>		
Cash and bank balances	47	31
Bank overdrafts	(850)	(915)
	(803)	(884)

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report for the 3rd quarter ended 30 September 2013

## NOTES

### A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134

#### A1 Basis of preparation

The interim financial report has been prepared in accordance with MFRS 134, Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2012.

#### A2 Significant accounting policies

The significant accounting policies and methods adopted by the Group in the preparation of this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2012. The Directors anticipate that the application of the following MFRSs issued by the Malaysian Accounting Standards Board ("MASB"), which are mandatory and will be effective for the financial periods as stated below, when adopted will have no material impact on the financial statements of the Group and of the Company, except as disclosed below:

*Effective for financial periods beginning on or after 1 July 2012*

Amendments to MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of items of Other Comprehensive Income)
------------------------	-------------------------------------------------------------------------------------------------------------------

*Effective for financial periods beginning on or after 1 January 2013*

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

*Effective for financial periods beginning on or after 1 January 2014*

Amendments to MFRS 10, MFRS 11 and MFRS 12	Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2015

MFRS 9: Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

**A3 Audit report of preceding audited financial statements**

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

**A4 Seasonality or cyclicality**

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 Material 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 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 Dividends**

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

**A9 Segment information**

BUSINESS SEGMENTS	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	30 September 2013 RM('000)	30 September 2012 RM('000)	30 September 2013 RM('000)	30 September 2012 RM('000)
<b><u>Segment Revenue</u></b>				
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	630	356	1,175	713
Manufacturing	-	-	-	59
Total including inter-segment sales	630	356	1,175	772
Elimination of inter-segment sales	-	-	-	(1)
Total Revenue	630	356	1,175	771
<b><u>Segment Profit/(Loss) Before Tax</u></b>				
Investment Holding	(109)	(123)	(285)	(401)
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	(13)	334	397	640
Liquid Filtration System	-	-	(2)	-
Manufacturing	-	(224)	(150)	(680)
Total Loss Before Tax	(122)	(13)	(40)	(441)

**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 Contingencies**

As at 30 September 2013, 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 2013.

**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 2013 RM'000	INDIVIDUAL QUARTER 30 September 2012 RM'000
The following items have been charged in arriving at the loss before taxation:		
Depreciation and amortisation	142	135
Interest expenses	33	103



# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report for the 3rd quarter ended 30 September 2013

## NOTES

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

#### B1 Review of performance

Revenue for the current year was up 77% to RM630k for the current quarter from RM356k reported in the corresponding quarter a year ago. The marked improvement arose from the continued management effort to clear the Air Filtration products of the Group.

The Group's loss slid to RM122k for the current quarter compared with RM13k same quarter a year ago. The poorer performance was mainly due to higher operating costs incurred mainly salaries and directors remuneration.

#### B2 Variation of results against preceding quarter

	Quarter Ended 30 September 2013 RM'000	Quarter Ended 30 June 2013 RM'000
Revenue	630	565
Profit/(Loss) before tax	(122)	121

The Group recorded a 11.5% climb in revenue to RM630k in its 3rd quarter results compared to RM565k in the preceding quarter. The Group attributed the increase in revenue to its continued efforts to clear its Air Filtration stocks.

Despite higher sales posted, the Group suffered a loss of RM122k for the current year as compared to a profit before tax recorded in the preceding quarter on account of higher operating costs, which include salaries, director remuneration, etc.

#### 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.

#### 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 provision for income tax has been made during the current quarter as the Group incurred operating loss.

#### B6 Unquoted investments and properties

There were no acquisitions or disposals of unquoted investments or properties during the financial quarter under review other than as follows:

Quest Filter Sdn Bhd, a wholly-owned subsidiary of the Group had accepted an offer from a third party for the purchase of its property at a purchase price of RM8.5 million which is conditional upon the approval of the Board and Shareholders of the Group and/or from any other relevant authorities as may be required. As at to date, the disposal has yet to be finalised.

#### B7 Quoted and marketable securities

The Group does not hold any quoted or marketable securities as at 30 September 2013. There were no purchases or disposals of quoted securities for the current quarter.

**B8 Status of corporate proposal**

There were no corporate proposals undertaken or announced during the quarter under review other than as follow:

Raya International Berhad had on 17 October 2013 entered into a Share Sale Agreement to acquire 28,000 ordinary shares of RM1.00 each in Youbicom Malaysia Sdn. Bhd. representing 70% equity interest for a total consideration of RM100,000. As at to date, the acquisition is yet to be completed.

**B9 Group borrowings and debt securities**

The following are the bank borrowings of the Group as at 30 September 2013:

	As at 30 September 2013 RM'000	As at 30 September 2012 RM'000
Short-Term Borrowings:		
Bank Overdraft	850	915
Bankers Acceptance / Trust Receipts	-	31
Hire Purchase Creditors	89	90
Total	<u>939</u>	<u>1,036</u>
Non Current Borrowings:		
Hire Purchase Creditors	14	28
Term Loan (Secured)	4,306	4,095
Total	<u>4,320</u>	<u>4,123</u>

**B10 Material litigation**

The Group had received a Notice pursuant to Section 218(1)(e) of the Companies Act, 1965 on 22 October 2013 from a licensed bank for recovery of a facility amounting to RM471,458.58 taken by a former subsidiary of the Company. The total sum claimed including interest and costs is approximately RM513,500. On 23 October 2013, upon reaching a resolution with the said bank, a sum of RM463,500 had been paid by a substantial shareholder of the Company as full and final settlement of the said facility and the matter is now deemed closed.

**B11 Dividends**

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

**B12 Loss per share**

	Individual quarter ended 30 September 2013	Individual quarter ended 30 September 2012	Cumulative quarter ended 30 September 2013	Cumulative quarter ended 30 September 2012
<b>Basic Loss Per Share</b>				
Loss for the period (RM'000)	(122)	(13)	(40)	(441)
Ordinary Shares in Issue('000)	118,556	118,556	118,556	118,556
Basic Loss Per Share (sen)	<u>(0.10)</u>	<u>(0.01)</u>	<u>(0.03)</u>	<u>(0.37)</u>

Basic loss 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 loss per share.

### B13 Realised and Unrealised Profits/(Losses)

Supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad are as follow:

	As at 30.9.2013 (Unaudited) RM '000	As at 31.12.2012 (Audited) RM '000
Total accumulated profit/(losses) of the Company and its subsidiaries:		
- Realised	(17,835)	(17,795)
- Unrealised	454	454
	<u>(17,381)</u>	<u>(17,341)</u>
Add: Consolidation adjustments	905	905
Total group accumulated losses as per consolidated accounts	<u>(16,476)</u>	<u>(16,436)</u>

By order of the Board

Ezrul Ehsan Bin Ismail  
Executive Director  
Kuala Lumpur  
Date: 28 November 2013