

# RAYA INTERNATIONAL BERHAD(412406-T)

(formerly known as ENVAIR HOLDING BERHAD)

## QUARTERLY REPORT

On consolidated results for the first quarter ended 31 March 2014

The figures have not been audited.

### SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 31.3.2014 RM'000	Quarter Ended 31.3.2013 RM'000	Year Ended 31.3.2014 RM'000	Year Ended 31.3.2013 RM'000
Revenue	611	580	611	580
Profit/(Loss) before tax	156	(39)	156	(39)
Taxation	-	-	-	-
Profit/(Loss) for the period	156	(39)	156	(39)
Profit/(Loss) attributable to ordinary equity holders of the parent	156	(39)	156	(39)
Basic earnings/(loss) per share (sen)	0.13	(0.03)	0.13	(0.03)
Proposed/Declared Dividend per share (sen)	N/A	N/A	N/A	N/A

# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

Quarterly report on consolidated results for the 1st quarter ended 31 March 2014

## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(These figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31 March 2014 RM'000	QUARTER ENDED 31 March 2013 RM'000	YEAR ENDED 31 March 2014 RM'000	YEAR ENDED 31 March 2013 RM'000
Revenue	611	580	611	580
Operating expenses	(300)	(439)	(300)	(439)
Other operating income	89	71	89	71
Depreciation	(138)	(143)	(138)	(143)
Finance costs	(106)	(108)	(106)	(108)
<b>Profit/(Loss) before taxation</b>	<u>156</u>	<u>(39)</u>	<u>156</u>	<u>(39)</u>
Taxation	-	-	-	-
<b>Profit/(Loss) after taxation</b>	<u>156</u>	<u>(39)</u>	<u>156</u>	<u>(39)</u>
<b>Other comprehensive income, net of tax</b>	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<u><u>156</u></u>	<u><u>(39)</u></u>	<u><u>156</u></u>	<u><u>(39)</u></u>
<b>Earnings/(Loss) per share (sen)</b>				
(a) Basic	<u>0.13</u>	<u>(0.03)</u>	<u>0.13</u>	<u>(0.03)</u>

### Notes:

The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 1st quarter ended 31 March 2014

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited As at 31 March 2014 RM'000	Audited As at 31 December 2013 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	8,488	8,626
Deferred tax assets	195	195
Goodwill on consolidation	96	96
<b>Total Non-Current Assets</b>	<u>8,779</u>	<u>8,917</u>
<b>Current Assets</b>		
Inventories	1,048	975
Trade receivables	2,860	2,851
Other receivables and prepaid expenses	486	486
Tax recoverable	43	43
Cash and bank balances	203	45
<b>Total Current Assets</b>	<u>4,640</u>	<u>4,400</u>
<b>TOTAL ASSETS</b>	<u><u>13,419</u></u>	<u><u>13,317</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	2,727	2,727
Accumulated loss	(16,191)	(16,347)
Equity Attributable to Owners of the Company	<u>6,579</u>	<u>6,423</u>
Non-controlling interests	2	2
<b>Total Equity</b>	<u>6,581</u>	<u>6,425</u>
<b>Non-Current Liabilities</b>		
Borrowing (Secured)	3,927	3,981
Deferred tax liabilities	4	4
<b>Total Non-Current Liabilities</b>	<u>3,931</u>	<u>3,985</u>
<b>Current Liabilities</b>		
Trade payables	687	687
Other payables and accruals	370	370
Borrowings : Bank overdrafts	797	797
: Others	200	200
Amount owing to directors	851	851
Tax liabilities	2	2
<b>Total Current Liabilities</b>	<u>2,907</u>	<u>2,907</u>
<b>Total Liabilities</b>	<u>6,838</u>	<u>6,892</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>13,419</u></u>	<u><u>13,317</u></u>
Net asset per share of RM0.10 each (sen)	<u>5.55</u>	<u>5.42</u>

**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 2013 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 1st quarter ended 31 March 2014

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(These figures have not been audited)

	Note	Attributable to equity holders of the Company				Total	Non-Controlling Interests	Total Equity
		Share Capital	Share Premium	Reserve on Revaluation	Accumulated Loss			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Quarter ended 31 March 2014</b>								
<b>At 1 January 2014</b>		11,856	8,187	2,727	(16,347)	6,423	2	6,425
Net profit for the period representing total comprehensive income for the period		-	-	-	156	156	-	156
<b>At 31 March 2014</b>		<u>11,856</u>	<u>8,187</u>	<u>2,727</u>	<u>(16,191)</u>	<u>6,579</u>	<u>2</u>	<u>6,581</u>
<b>Quarter ended 31 March 2013</b>								
<b>At 1 January 2013</b>		11,856	8,187	2,554	(16,436)	6,161	-	6,161
Net loss for the period representing total comprehensive loss for the period		-	-	-	(39)	(39)	-	(39)
<b>At 31 March 2013</b>		<u>11,856</u>	<u>8,187</u>	<u>2,554</u>	<u>(16,475)</u>	<u>6,122</u>	<u>-</u>	<u>6,122</u>

### Note :

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 1st quarter ended 31 March 2014

### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(These figures have not been audited)

	FINANCIAL QUARTER ENDED	
	31 March 2014	31 March 2013
	RM('000)	RM('000)
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation	156	(39)
Adjustments for:		
Depreciation of property, plant and equipment	138	143
Finance costs	106	108
Operating profit before working capital changes	<u>400</u>	<u>212</u>
Net change in current assets	(83)	(275)
Net change in current liabilities	-	211
Cash generated from operations	<u>317</u>	<u>148</u>
Interest paid	(106)	(108)
Net cash from operating activities	<u>211</u>	<u>40</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of term loans	(54)	-
Net cash used in financing activities	<u>(54)</u>	<u>-</u>
Net increase in cash and cash equivalents	157	40
Cash and cash equivalents at beginning of year	<u>(751)</u>	<u>(917)</u>
Cash and cash equivalents at end of year	<u>(594)</u>	<u>(877)</u>
<b>Cash and cash equivalents at end of year comprise:</b>		
Cash and bank balances	203	14
Bank overdrafts	(797)	(891)
	<u>(594)</u>	<u>(877)</u>

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 1st quarter ended 31 March 2014

### 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 2013. 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 2013.

#### 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 2013. The Directors anticipate that the application of the following MFRSs and amendments to 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 January 2014:*

Amendments to MFRS 10, 12 and 127	Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

*Effective for financial periods beginning on or after 1 July 2014:*

Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Annual Improvements to MFRSs	2010-2012 Cycle
Annual Improvements to MFRSs	2011-2013 Cycle

#### MFRS and amendments to MFRSs that are applicable to the Group but not yet effective

The Group has not adopted the following revised MFRS as its effective date is yet to be confirmed:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)

#### A3 Auditors' report of preceding annual financial statements

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

#### A4 Seasonality or cyclicity

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 31 March 2014 RM('000)	QUARTER ENDED 31 March 2013 RM('000)	YEAR ENDED 31 March 2014 RM('000)	YEAR ENDED 31 March 2013 RM('000)
<b><u>Segment Revenue</u></b>				
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	311	580	311	580
Manufacturing	300	-	300	-
Total including inter-segment sales	611	580	611	580
Elimination of inter-segment sales	-	-	-	-
Total Revenue	611	580	611	580
<b><u>Segment Profit/(Loss) Before Tax</u></b>				
Investment Holding	(66)	(79)	(66)	(79)
Air Filtration System, Fast Moving Consumer Product & Ancillary Support Services	261	192	261	192
Liquid Filtration System	-	(1)	-	(1)
Manufacturing	(39)	(151)	(39)	(151)
Total Profit/(Loss) Before Tax	156	(39)	156	(39)

**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 other than as follow:

On 9 April 2014, the Company entered into a Share Sale Agreement with certain third parties for the proposed acquisition of 400,000 ordinary shares of RM1 each in Voyager Line Communications Sdn. Bhd., a company incorporated in Malaysia and which is principally involved in building, construction and general trading, representing 100% of the issued and paid-up share capital of that company for a total purchase consideration of RM1,100,000 vide issuance of 11,000,000 ordinary shares of RM0.10 each in the Company at an issue price of RM0.10 per share. As at the date of this report, the Company is currently in the process of obtaining approvals from the relevant authorities.

**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 31 March 2014, 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 31 March 2014.

**A15 Significant related party transactions**

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

**A16 Profit/(Loss) before taxation**

	INDIVIDUAL QUARTER 31 March 2014 RM('000)	INDIVIDUAL QUARTER 31 March 2013 RM('000)
--	--	--

The following items have been charged in arriving at the profit/(loss) before taxation:

Depreciation and amortisation	138	143
Interest expenses	106	108



# RAYA INTERNATIONAL BERHAD

(formerly known as ENVAIR HOLDING BERHAD)

(Company No: 412406-T)

(Incorporated in Malaysia)

## Quarterly report on consolidated results for the 1st quarter ended 31 March 2014

### NOTES

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

##### B1 Review of performance

Revenue was up 5.3% from RM580k in the same quarter preceding year to RM611k in the current quarter driven by continued effort undertaken by the Group to clear its air filtration products as well as higher sales in general trading and ancillary support services.

The Group turned in a net profit of RM156k as compared to a loss of RM39k in the same quarter last year, buoyed by improvements in operating efficiencies as well as higher margins from general trading and ancillary support services.

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

	Current quarter 31 March 2014 RM'000	Preceding quarter 31 December 2013 RM'000
Revenue	611	710
Profit before tax	156	128

Revenue was 13.9% lower at RM611k as compared to RM710k registered in the preceding quarter, dragged down by marginally lower sales of its air filtration products. Nevertheless, profit before tax went up from RM128k in the preceding quarter to RM156k in the current quarter, helped by increased sales in products with higher gross margins.

##### B3 Prospects for current financial year

The management is 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. Management will continue to focus into new business through Youbicom Malaysia Sdn. Bhd. as well as its proposed acquisition of Voyager Line Communications Sdn. Bhd. while maintaining efficiency in its overall operations.

##### 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 has sufficient unutilised tax losses to set off the tax payable.

##### 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:

Raya Consumable Sdn. Bhd. (formerly known as 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. The disposal was approved by the shareholders of Raya on 16 May 2014 and as at to date, is pending completion.

**B7 Quoted and marketable securities**

The Group does not hold any quoted or marketable securities as at 31 March 2014. 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:

On 16 December 2013, the Company announced its proposed private placement exercise of up to 11,855,580 new ordinary shares of RM0.10 each in the Company representing approximately ten percent (10%) of the existing issued and paid-up share capital of the Company. Bursa Malaysia Securities Berhad has vide its letter dated 30 January 2014 conditionally approved the listing and quotation of up to 11,855,580 new shares, representing up to 10% of the issued and paid-up share capital of Raya, to be issued pursuant to the Proposed Private Placement.

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 31 March 2014:

	<b>As at 31 March 2014 RM'000</b>	<b>As at 31 March 2013 RM'000</b>
Short-Term Borrowings:		
Bank Overdraft	797	891
Hire Purchase Creditors	26	89
Term Loan (Secured)	174	-
Total	<u>997</u>	<u>980</u>
Non Current Borrowings:		
Hire Purchase Creditors	18	14
Term Loan (Secured)	3,909	4,219
Total	<u>3,927</u>	<u>4,233</u>

**B10 Material litigation**

As at the date of this report, the Group has no material litigation which 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 Earnings/(Loss) per share**

	Individual quarter ended 31 March 2014	Individual quarter ended 31 March 2013	Cumulative quarter ended 31 March 2014	Cumulative quarter ended 31 March 2013
<b>Basic Earnings/(Loss) Per Share</b>				
Earnings/(Loss) for the period (RM'000)	156	(39)	156	(39)
Ordinary Shares in Issue('000)	118,556	118,556	118,556	118,556
Basic Earnings/(Loss) Per Share (sen)	<u>0.13</u>	<u>(0.03)</u>	<u>0.13</u>	<u>(0.03)</u>

Basic earnings/(loss) is calculated by dividing the net profit/(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 earnings/(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 31.3.2014 RM '000	AS AT 31.12.2013 RM '000
Total accumulated profits/(losses) of the Company and its subsidiaries:		
- Realised	(17,496)	(17,652)
- Unrealised	<u>366</u>	<u>366</u>
	(17,130)	(17,286)
Add: Consolidation adjustments	<u>939</u>	<u>939</u>
Total group accumulated losses as per consolidated accounts	<u><u>(16,191)</u></u>	<u><u>(16,347)</u></u>

By Order Of The Board

Ezrul Ehsan Bin Ismail  
Executive Director  
Kuala Lumpur  
Date: 30 May 2014