

**NAGAMAS INTERNATIONAL BERHAD (formerly known as Tenco Berhad)**  
**Quarter Ended 31 March 2008**  
**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Accounting Policies**

The interim financial report has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2007.

The accounting policies used by the Group in the quarterly report comply with the principles of the International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The quarterly report has been prepared based on the presentation, accounting policies and methods of computation consistent with those adopted in the preparation of the audited statutory financial statements for the financial year ended 31 March 2007.

**2. Declaration of Qualification of Audit Report**

There was no qualification in the auditors report for the year ended 31 March 2007.

**3. Seasonality or cyclicity of operations**

The Group’s operations are not subject to seasonal or cyclical factors.

**4. Nature and Amount of Unusual Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter under review.

**5. Nature and Amount of Changes in Estimates**

There were no changes in estimates of amount reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial year which give a material effect in the current interim period.

**6. Issuance or repayment of debts and equity securities**

There were no issuances of new shares or repayments of debts and equity securities during the quarter under review.

**7. Dividends**

No dividend is being proposed or paid for this quarter.

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**8. Segmental Reporting**

**By Business Segment**

	<b>Total Revenue RM</b>	<b>Inter Company RM</b>	<b>External Sales RM</b>	<b>Profit/(Loss) Before Taxation RM</b>
Industrial division	23,542,515	(2,963,651)	20,578,864	(189,165)
Aviation services	710,554	(13,471)	697,083	(206,762)
Property & investment holding	4,364,832	(2,402,559)	1,962,273	3,345,088
<b>Group</b>	<b>28,617,901</b>	<b>(5,379,681)</b>	<b>23,238,220</b>	<b>2,949,161</b>

**By Geographical Segment**

	<b>External Sales RM</b>	<b>Profit/(Loss) Before Taxation RM</b>
Malaysia	20,050,040	1,470,526
Singapore	78,799	2,719
Canada	450,025	(10,665)
Hong Kong	2,659,356	1,486,581
<b>Group</b>	<b>23,238,220</b>	<b>2,949,161</b>

**9. Valuation of Investment Properties and Property, Plant and Equipment**

The valuations of investment properties and land and buildings have been brought forward, without amendment from the previous annual report.

**10. Material events subsequent to the end of the period**

Nagamas Enterprise (HK) Limited, a wholly-owned subsidiary of Nagamas International Berhad (formerly known as Tenco berhad), has on 16 April 2008 been appointed by Leisure Cargo Asia as its Cargo General Sales Agent to market and manage the cargo operations for Air Berlin flights operating at Beijing and Shanghai.

**11. Effect of Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter.

**12. Contingent Liabilities**

There were no contingent liabilities at the end of the quarter.

**13. Comparison with Preceding Quarter's Results**

Revenue recorded for current quarter was RM23.24 million which showed an increase of RM3.32 million compared to that of the preceding quarter. The higher revenue generated from the joint venture marketing of property in China for the quarter has contributed to achieving an operating profit of RM2.59 million (before interest) compared to an operating loss of RM0.22 million in the preceding quarter.

**14. Review of Performance**

For the quarter under review, the Group registered a revenue of RM23.24 million and a net profit after taxation of RM2.68 million. At the operating level, the Group recorded an operating profit of RM2.59 million compared to an operating loss of RM0.51 million in the previous year's corresponding quarter. The increase was mainly attributable to higher revenue recorded for the current quarter. (Revenue for current quarter: RM23.24 million; Revenue for previous year's corresponding quarter: RM16.53 million)

**15. Future Prospects**

High raw material cost of petroleum based products and the stiff competition will continue to impact the Group's industrial division performance.

The Group expects the two new core businesses in aviation services and property to contribute positively to the revenue and profit of the Group.

**16. Variance on Profit Forecast / Profit Guarantee**

Not applicable.

**17. Taxation**

The tax charge relates principally to the current year's profit made by certain profitable subsidiary companies which cannot be offset against the losses of other subsidiary companies within the Group.

**18. Gain on Sale of Unquoted Investments and/or Properties**

There is no gain on sale of unquoted investments and properties for the quarter ended 31 March 2008.

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**19. Purchase or Disposal of Quoted Securities**

There were no purchases or disposals of quoted securities by the Group.

**20. Status of Corporate Proposals**

The Company's Restructuring Scheme was completed on 24 September 2007.

**Status of Utilization of Proceeds from Rights Issue and Special Issue as at 31 March 2008**

	<u>RM'000</u>
<u>Utilized</u>	
Repayment of bridging loans	10,889
Restructuring expenses	348
Investment	8,924
Working capital	2,018
	<u>22,179</u>
<u>Unutilized</u>	
Working capital and/or expansion plan involving new businesses	2,616
<b>Total Proceeds</b>	<b><u>24,795</u></b>

**21. Group Borrowings**

Group borrowings as at 31 March 2008:

	<b>Secured RM'000</b>
LC/TR/BA	3,294
Hire purchases	143
	<u>3,437</u>

Note:

The other borrowings are secured against fixed deposits on a set-off basis by the relevant subsidiaries.

**22. Off Balance Sheet Financial Instruments**

None.

**23. Material Litigation**

There is no pending material litigation for the Group as at the date of this report, other than disclosed as follows:

- (i) A claim was made in High Court of Shah Alam, Civil Suit No.: MT2-22-961-98 dated 29 July 1998, by DMM Engineering Sdn Bhd (“DMM”) against Westech Sdn Bhd (“WSB”) for the recovery of the sum of RM579,513.60 together with interest and costs for the breach of contract by WSB in completing a purchase transaction of a boat. WSB has also filed a counter claim for refund of the deposit of RM108,900 and damages. WSB’s solicitors have proceeded with the counter claim after the completion of the company’s restructuring exercise in March 2000.

The Court has allowed DMM’s application for summary judgment on 26 April 2001. The Notice of Appeal against the summary judgment was dismissed.

WSB was placed under Creditor’s Voluntary Winding Up pursuant to Section 254(1)(a) of the Companies Act, 1965 on 26 October 2006.

- (ii) A fresh claim has been made in the Shah Alam High Court Civil Suit No.: MT3-22-861-2003 by Ipmuda Utara Sdn Bhd (“the Plaintiff”) against Westech Sdn Bhd (“WSB”) a wholly owned subsidiary of Tenco, for a sum of RM354,182.77, for the price of goods allegedly sold and delivered by the Plaintiff to WSB with interest in the sum of RM377,852.13 as at 31 August 2003 and further interest at the rate of 1.5% per month calculated from 1 September 2003 until date of full settlement. The Plaintiff had previously filed a similar claim against WSB in Ipoh High Court Suit No.: 22-7-1998.

The court had allowed the Plaintiff’s application for summary judgment on 26 January 2005. WSB has filed the Notice of Appeal against the summary judgment and adjourned to 28 November 2006.

However, on 26 October 2006, WSB was placed under Creditor’s Voluntary Winding Up pursuant to Section 254(1)(a) of the Companies Act, 1965.

**23. Material Litigation (Cont'd.)**

- (iii) A claim was made in the High Court of Shah Alam, Civil Suit No.: MT1-22-960-2001, by an ex-director against the Company for the recovery of retirement benefits, annual leave passage and balance of untaken annual leave. The Company has filed a counter claim against the ex-director for the recovery of a car loan, aggravated and exemplary damages.

The ex-director has been adjudicated a bankrupt on 24 June 2003. However, he has obtained the sanction from the Director General of Insolvency to proceed with his appeal.

The Company has filed an application to strike out certain paragraphs of the Statement of Claim and the court has dismissed the said application on 18 February 2008. The Company has appealed against the said decision and the court has not fixed any date yet. Meanwhile the Company has obtained an order of security for costs.

**24. Earnings Per Share (EPS)**

The EPS for the quarter was calculated based on the profit after taxation for the quarter divided by the weighted average number of ordinary shares outstanding during the period.

EPS for the quarter is as follows:

	RM'000
Basic :	2,676
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	51,528
=	5.19 sen
Diluted:	Not Applicable