

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Income Statement
For The Quarter Ended 31 December 2008

	3 months '08	3 months '07	YTD '08	YTD '07
	2008 Current quarter ended 31 December RM'000	2007 Comparative quarter ended 31 December RM'000	2008 9 months Cumulative to date RM'000	2007 9 months Cumulative to date RM'000
Revenue	<u>16,759</u>	<u>19,916</u>	<u>78,647</u>	<u>58,479</u>
Gross Profit	3,241	3,440	13,083	10,865
Operating Expenses	(3,769)	(3,660)	(12,585)	(10,053)
(Loss)/Profit from Operation	<u>(528)</u>	<u>(220)</u>	<u>498</u>	<u>812</u>
Other Income	47	443	373	1,336
Finance costs	(42)	(64)	(142)	(540)
(Loss)/Profit before taxation	<u>(523)</u>	<u>159</u>	<u>729</u>	<u>1,608</u>
Taxation	454	(11)	(253)	(405)
(Loss)/Profit after taxation	<u>(69)</u>	<u>148</u>	<u>476</u>	<u>1,203</u>
Minority Interest	-	-	-	-
Net (loss)/profit for the period	<u>(69)</u>	<u>148</u>	<u>476</u>	<u>1,203</u>
(LPS)/EPS				
- Basic (sen)	(0.14)	0.29	0.94	2.33
- Diluted (sen)	N/A	N/A	N/A	N/A
Gross Interest Income	53	146	182	291
Gross Interest Expenses	(42)	(64)	(142)	(540)

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report financial year ended 31 March 2008)

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Balance Sheet
As At 31 December 2008

	AS AT 31 Dec 2008 RM'000	AS AT 31 Mar 2008 RM'000
Non Current Assets		
Property, Plant and Equipment	6,390	6,617
Long Term Investments	581	581
Goodwill on Consolidation	1,582	1,582
	<u>8,553</u>	<u>8,780</u>
Current Assets		
Inventories	13,820	13,578
Trade Receivables	17,785	22,386
Other Receivables	10,604	9,754
Cash	6,720	5,505
Others - Time deposits placed with licensed financial institutions	5,793	6,678
- Tax recoverable	554	308
	<u>55,276</u>	<u>58,209</u>
Total Assets	<u>63,829</u>	<u>66,989</u>
Equity		
Share Capital	50,895	50,895
Accumulated Losses	(6,110)	(6,586)
Translation Adjustment Account	3	(295)
Total Equity	<u>44,788</u>	<u>44,014</u>
Non Current Liabilities		
Deferred Taxation	77	77
Current Liabilities		
Trade Payables	3,425	7,082
Other Payables	12,322	12,101
Short Term Borrowings	3,217	3,437
Provision for Taxation	-	278
	<u>18,964</u>	<u>22,898</u>
Total Liabilities	19,041	22,975
Total Equity And Liabilities	<u>63,829</u>	<u>66,989</u>
Net assets per share (RM)	0.8800	0.8648

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report financial year ended 31 March 2008)

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Statement of Changes in Equity
For The Quarter Ended 31 December 2008

	← <i>Non-Distributable</i> →	→ <i>Distributable</i>		
	Share Capital RM	Translation Adjustment Account RM	Accumulated' Losses RM	Total RM
Balance as at 1 July 2008	50,895,000	(387,318)	(6,090,137)	44,417,545
Currency translation differences	-	167,000	-	167,000
Net profit for the quarter	-	-	48,891	48,891
Balance as at 30 September 2008	50,895,000	(220,318)	(6,041,246)	44,633,436
Currency translation differences	-	223,283	-	223,283
Net loss for the quarter	-	-	(68,605)	(68,605)
Balance as at 31 December 2008	50,895,000	2,965	(6,109,851)	44,788,114

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2008)

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Cash Flow Statement
For The Quarter Ended 31 December 2008

	31 Dec 08	31 Dec 07
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(523)	159
Adjustment for:		
Depreciation of property, plant and equipment	148	169
Foreign exchange translation	224	26
Property, plant and equipment written off	3	-
Provision for doubtful debts	-	4
Interest expense	42	64
Interest income	(53)	(146)
Operating (loss)/profit before working capital changes	<u>(159)</u>	<u>276</u>
Decrease/(Increase) in inventories	1,360	(1,581)
Decrease in receivables	7,732	270
Decrease in payables	(8,142)	(2,804)
Cash generated from/(used in) operations	<u>791</u>	<u>(3,839)</u>
Interest paid	(42)	(64)
Interest received	53	146
Tax paid	(250)	(168)
Net cash generated from/(used in) operating activities	<u>552</u>	<u>(3,925)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Withdrawal of fixed deposits	11	4,422
Purchase of property, plant and equipment	(131)	(259)
Net cash (used in)/generated from investing activities	<u>(120)</u>	<u>4,163</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(6)	(8)
Repayment of bridging loan	-	(1,000)
Net cash used in financing activities	<u>(6)</u>	<u>(1,008)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	426	(770)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	6,294	3,626
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>6,720</u>	<u>2,856</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report financial year ended 31 March 2008)

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 2008.

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 2008.

2. Declaration of Qualification of Audit Report

There was no qualification in the auditors report for the year ended 31 March 2008.

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.

NAGAMAS INTERNATIONAL BERHAD
Quarter Ended 31 December 2008
Part A - Explanatory Notes Pursuant to FRS 134

8. Segmental Reporting

By Business Segment

	Total Revenue RM	Inter Company RM	External Sales RM	Profit/(Loss) Before Taxation RM
Industrial division	18,726,370	(2,907,258)	15,819,112	86,940
Aviation services	900,410	-	900,410	54,952
Property & investment holding	1,012,837	(973,713)	39,124	(664,769)
Group	20,639,617	(3,880,971)	16,758,646	(522,877)

By Geographical Segment

	External Sales RM	Profit/(Loss) Before Taxation RM
Malaysia	15,361,823	(624,210)
Singapore	49,713	(9,532)
Canada	407,575	11,235
Hong Kong	939,535	99,630
Group	16,758,646	(522,877)

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

On 15 January 2009, the Board of Directors announced that its wholly-owned subsidiary, Nagamas International (HK) Limited has entered into a Repayment Agreement with Zhiangxu Zhenda Construction Co. Ltd and Zhang Yongliang on 15 January 2009.

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 RM16.76 million which showed a decrease of RM15.77 million compared to that of the preceding quarter. Operating loss for the quarter before interest on borrowing was RM0.53 million compared to an operating profit of RM0.25 million in the preceding quarter. Operating loss was mainly attributable to significant decrease in revenue for the current quarter.

14. Review of Performance

For the quarter under review, the Group registered a revenue of RM16.76 million and a net loss after taxation of RM0.07 million. At the operating level, the Group recorded an operating loss of RM0.53 million compared to an operating loss of RM0.22 million in the previous year's corresponding quarter.

15. Future Prospects

In view of the challenging business condition and stiff competition, the Group will try to achieve positive results through cost cutting measures to improve efficiency for the quarter ended 31 March 2009.

16. Variance on Profit Forecast / Profit Guarantee

Not applicable.

17. Taxation

There was a write back of RM0.49 million due to overprovision of taxation in prior periods.

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 December 2008.

19. Purchase or Disposal of Quoted Securities

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

NAGAMAS INTERNATIONAL BERHAD

Quarter Ended 31 December 2008

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

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 December 2008

	<u>RM'000</u>
<u>Utilized</u>	
Repayment of bridging loans	10,889
Restructuring expenses	348
Investment	8,924
Working capital	2,918
	<hr/> 23,079
<u>Unutilized</u>	
Working capital and/or expansion plan involving new businesses	1,716
Total Proceeds	<hr/> 24,795 <hr/>

21. Group Borrowings

Group borrowings as at 31 December 2008:

	Secured RM'000
LC/TR/BA	3,091
Hire purchases	126
	<hr/> 3,217 <hr/>

Note:

The 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. The Company has appealed against the said decision and the court will hear the Notice of Appeal on 24 April 2009.

Meanwhile the Company has obtained an order of security for costs. The ex-director has appealed against the order of security for costs and the court has fixed 24 April 2009 for the hearing of the appeal.

24. Loss Per Share (LPS)

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

LPS for the quarter is as follows:

	RM'000
Basic :	(69)

	50,895
=	(0.14) sen
Diluted:	Not Applicable