

**NAGAMAS INTERNATIONAL BERHAD**  
**(111365-U)**  
**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 September 2011**

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## **Interim Financial Report**

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**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT OF COMPREHENSIVE INCOME**  
- For the quarter ended 30 September 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30.09.2011 RM'000	Preceding Year Quarter 30.09.2010 RM'000	Current Year To date 30.09.2011 RM'000	Preceding Year To date 30.09.2010 RM'000
<b>Revenue</b>		<b>3,680</b>	<b>5,679</b>	<b>11,677</b>	<b>24,943</b>
Cost of Sales		(3,381)	(5,552)	(10,218)	(24,350)
<b>Operating profit</b>		<b>299</b>	<b>127</b>	<b>1,459</b>	<b>593</b>
Other Income		35	9	196	694
Administration and general expenses		(254)	(1,689)	(1,628)	(23,013)
Selling and marketing expenses		(3)	(113)	(157)	(343)
Finance costs		(48)	-	(48)	-
<b>Profit / (loss) before taxation</b>		<b>30</b>	<b>(1,666)</b>	<b>(178)</b>	<b>(22,069)</b>
<b>Taxation</b>		<b>-</b>	<b>(86)</b>	<b>-</b>	<b>(86)</b>
<b>Net profit/(loss) for the period</b>		<b>30</b>	<b>(1,752)</b>	<b>(178)</b>	<b>(22,155)</b>
<b>Other comprehensive income after tax:</b>					
Net currency translation differences		(70)	(453)	(455)	(550)
<b>Other comprehensive income for the period, net of tax</b>		<b>(70)</b>	<b>(453)</b>	<b>(455)</b>	<b>(550)</b>
<b>Total comprehensive loss for the Period</b>		<b>(40)</b>	<b>(2,205)</b>	<b>(633)</b>	<b>(22,705)</b>
<b>Net profit/(loss) attributable to:</b>					
- Owners of the parent		30	(1,752)	(178)	(22,155)
- Minority interest		-	-	-	-
		<b>30</b>	<b>(1,752)</b>	<b>(178)</b>	<b>(22,155)</b>
<b>Total comprehensive loss attributable to:</b>					
- Owners of the parent		(40)	(2,205)	(633)	(22,705)
- Minority interest		-	-	-	-
		<b>(40)</b>	<b>(2,205)</b>	<b>(633)</b>	<b>(22,705)</b>
<b>Earnings per share (sen) for loss attributable to owners of the Parent</b>					
-Basic (sen)		<b>0.06</b>	(3.44)	<b>(0.35)</b>	(43.53)
-Diluted (sen)		<b>N/A</b>	N/A	<b>N/A</b>	N/A

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.*

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
- As at 30 September 2011

	Note	30.09.2011 (Unaudited) RM'000	31.12.2010 (Audited) RM'000
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	A10	158	121
Goodwill on Consolidation		69	69
		<u>227</u>	<u>190</u>
<b>Current Assets</b>			
Property Development Costs		3,213	3,692
Trade Receivables		936	1,999
Accrued Billing		886	-
Other Receivables		14,607	12,682
Tax Recoverable		40	40
Cash & Bank Balances		252	652
		<u>19,934</u>	<u>19,065</u>
<b>TOTAL ASSETS</b>		<u>20,161</u>	<u>19,255</u>
<b>Equity</b>			
Share Capital		50,895	50,895
Accumulated Losses		(32,468)	(32,292)
Translation Adjustment Account		(1,169)	(714)
Total Equity		<u>17,258</u>	<u>17,889</u>
<b>Non Current Liabilities</b>			
Bank borrowing		1,000	-
		<u>18,258</u>	<u>17,889</u>
<b>Current Liabilities</b>			
Trade Payables		482	418
Progress billings		-	744
Other Payables & Accruals		1,421	204
		<u>1,903</u>	<u>1,366</u>
Total Liabilities		1,903	1,366
<b>Total Equity And Liabilities</b>		<u>20,161</u>	<u>19,255</u>
Net assets per share		0.3391	0.3515

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.*

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
~ For the quarter ended 30 September 2011

	< ----- Non-distributable ----- >		Distributable	
	Share Capital RM'000	Translation Adjustment Account RM'000	Accumulated Losses RM'000	Total RM'000
<b>Balance as at 1 January 2011</b>	50,895	(714)	(32,292)	17,889
Currency translation differences	-	(385)	-	(385)
Net loss for the quarter	-	-	(206)	(206)
<b>Balance as at 30 June 2011</b>	50,895	(1,099)	(32,498)	17,298
Currency translation differences	-	(70)	-	(70)
Net profit for the quarter	-	-	30	30
<b>Balance as at 30 September 2011</b>	<b>50,895</b>	<b>(1,169)</b>	<b>(32,468)</b>	<b>17,258</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.*

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**- For the quarter ended 30 September 2011**

	Period Ended 30-Sep-11 RM'000	Period Ended 30-Sep-10 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	30	(1,666)
Adjustment for:		
Depreciation of property, plant and equipment	9	7
Foreign exchange translation	(70)	(453)
Interest income	-	(9)
Operating loss before working capital changes	(31)	(2,121)
Decrease in Development Properties	(79)	276
(Increase)/Decrease in receivables	(626)	739
Decrease/(Increase) in payable	(125)	(6)
Net cash used in operating activities	(861)	(1,112)
Interest received		9
Tax paid		(86)
	(861)	(1,189)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(3)
Net cash used in investing activities		(3)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowing	1,000	-
(Placement)/withdrawal of fixed deposits	-	(2,000)
Net cash used in financing activities	1,000	(2,000)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>139</b>	<b>(3,192)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>113</b>	<b>4,606</b>
<b>CSAH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>252</b>	<b>1,414</b>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.*

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**Third Quarter Ended 30 September 2011**

**Part A – Explanatory Notes Pursuant to FRS 134**

**A1. Basic Of Preparation**

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 December 2010.

The accounting policies used by the Group in the quarterly report comply with the principles of the International Financial Reporting Standard (“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 in the preparation of the audited statutory financial statement for the financial year ended 31 December 2010.

**A2. Change in Accounting Policies**

Basis of accounting

The accounting principles and bases used are consistent with those previously adopted in the preparation of the audited financial statements of the Group except for the adoption of the following applicable new/revised Financial Reporting Standards (“FRS”) and IC Interpretation effective for financial year beginning on 1 January 2011:

FRS 3	Business Combinations
FRS 5	Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
FRS 127	Amendment to FRS 127 Consolidated and Separate Financial Statements
FRS 138	Amendments to FRS 138 Intangible Assets
IC Int.9	Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
IC Int.12	Service Concession Arrangements
IC Int.16	Hedges of a Net Investment in a Foreign Operation
IC Int.17	Distribution of Non-cash Assets to Owners
FRS 132	Amendments to FRS 132 Classification of Right Issues
FRS 7	Amendments to FRS 7 Improving Disclosures about Financial Instruments
FRS 101	Amendments to FRS 101 Presentation of Financial Statements
FRS 139	Amendments to FRS 139 Financial Instruments : Recognition and Measurement

The adoption of the above FRSs, Amendments to FRSs and Interpretations do not have any significant financial impact on the Group’s results.

**A3. Declaration of Qualification of Audit Report**

There was no qualification in the audited report for the year ended 31 December 2010.

**A4. Seasonality or cyclicity of operations**

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

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**Third Quarter Ended 30 September 2011**

**A5. Nature and Amounts of Unusual Items**

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

**A6. Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts 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.

**A7. Issuances or repayment of debt and equity securities**

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

**A8. Dividends**

No dividend is being proposed or paid for this quarter.

**A9. Segmental Information**

The Group is organised into business units based on their products and services and has two reportable operating segments as follows:

**By Business Segments**

	<b>Aviation Services RM'000</b>	<b>Property and Investment Holding RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>				
External sales	3,069	611	-	3,680
Inter-segment sales	-	-	-	-
Total Revenue	<u>3,069</u>	<u>611</u>	<u>-</u>	<u>3,680</u>
Segment result (external)	(4)	34	-	<u>30</u>
Loss before taxation				30
Taxation				<u>-</u>
Loss after taxation				<u>30</u>
Segment assets	1,375	18,785	-	<u>20,160</u>
Segment liabilities	146	1,757		<u>1,903</u>

**A10. 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.



**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**Third Quarter Ended 30 September 2011**

**A11. Material events subsequent to the end of the period**

There were no other material events subsequent to the end of the period.

**A12. Changes in the composition of the Group**

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

**A13. Changes in the contingent liabilities**

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

**A14. Significant related party transactions**

(a) Related party relationship

Malaysia-Beijing Travel Services Sdn Bhd is a company in which a director and a shareholder of the Company, has substantial interest.

(b) Related party transactions

	<b>Current Quarter Ended 30 September 2011 RM'000</b>	<b>Current Year To- Date Ended 30 September 2011 RM'000</b>
Malaysia-Beijing Travel Services Sdn Bhd		
-Sales of Services	1,077	3,062
-Purchase of Services	1,002	2,848
-Rental expenses of premises	19	56
	<hr/>	<hr/>

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**Third Quarter Ended 30 September 2011**

**PART B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**B1. Review of Performance against Preceding Year's Corresponding Quarter**

For the quarter under review, the Group registered a revenue of RM3.68 million and a net profit after taxation of RM0.03 million compared to RM5.68 million and a net loss after taxation of RM1.75 million respectively in the previous year's corresponding quarter.

The significant decrease in revenue was due to the lower revenue recorded in the aviation business for the quarter.

**B2. Comparison with Preceding Quarter's Results**

Revenue recorded for current quarter was RM3.68 million which showed a decrease of RM2.0 million compared to that of the preceding quarter. Profit for the quarter before taxation was RM0.03 million compared to a loss of RM1.75 million in the preceding quarter.

The improvement in profitability was due mainly to the lower expenses incurred in the period.

**B3. Future Prospects**

The Group is launching its sales of double storey terrace houses for its Nagamas Mantin project and expects it to contribute positively for financial year 2011.

**B4. Variance on Profit Forecast / Profit Guarantee**

Not applicable.

**B5. 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.

**B6. Profit/Loss on Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investments and properties for the quarter under review.

**B7. Purchase or Disposal of Quoted Securities**

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

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**Third Quarter Ended 30 September 2011**

**PART B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB**

**B8. Group Borrowings**

Total group borrowings as at 30 September 2011 were as follows: -

	<b>Secured RM'000</b>	<b>Total RM'000</b>
Bridging loan	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

**B9. Off Balance Sheet Financial Instruments**

None.

**B10. Material Litigation**

None.

**B11. Earnings Per Share (EPS)**

The EPS for the quarter was calculated base 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:-

	<b>RM '000</b>
<b>Basic :</b>	<u>30</u>
	50,895
<b>=</b>	<b>0.058 sen</b>
<b>Diluted</b>	<b>Not applicable</b>

**B12. Realised and Unrealised Profits/Losses Disclosure**

	<b>Current Quarter Ended 30-Sep-11 RM '000</b>	<b>Preceding Quarter Ended 30-Sep-10 RM '000</b>
Total realised losses	(32,765)	(32,804)
Total unrealised profits	297	305
Total accumulated losses	<u>(32,468)</u>	<u>(32,499)</u>

**By Order of the Board**