

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

Interim Financial Report

30 September 2012

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NAGAMAS INTERNATIONAL BERHAD (111365-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- For the period ended 30 September 2012

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30 September 2012 RM'000	Preceding Year Quarter 30 September 2011 RM'000	Current Year To date 30 September 2012 RM'000	Preceding Year To date 30 September 2011 RM'000
Revenue		3,157	3,680	8,642	11,677
Cost of Sales		(2,073)	(3,381)	(6,327)	(10,218)
Operating profit		1,084	299	2,315	1,459
Other Income		7	35	10	196
Administration and general expenses		(702)	(254)	(2,461)	(1,628)
Selling and marketing expenses		(143)	(3)	(263)	(157)
Other expenses		-	-	-	-
Finance costs		(24)	(47)	(73)	(48)
Profit /(loss) before taxation		222	30	(472)	(178)
Taxation		-	-	-	-
Net profit/(loss) for the period		222	30	(472)	(178)
Other comprehensive income after tax:					
Net currency translation differences		(1)	(70)	9	(455)
Other comprehensive income for the period, net of tax		(1)	(70)	9	(455)
Total comprehensive income for the period		221	(40)	(463)	(633)
Net profit/(loss) attributable to:					
- Owners of the parent		222	30	(472)	(178)
- Minority interest		-	-	-	-
		222	30	(472)	(178)
Total comprehensive income attributable to:					
- Owners of the parent		221	(40)	(463)	(633)
- Minority interest		-	-	-	-
		221	(40)	(463)	(633)
Earnings per share (sen) for loss attributable to owners of the Parent					
-Basic (sen)		0.44	0.06	(0.93)	(0.35)
-Diluted (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 year ended 31 December 2011 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 2012

	Note	30.09.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	A10	153	153
Goodwill on Consolidation		-	-
		<u>153</u>	<u>153</u>
Current Assets			
Property Development Costs		3,822	3,432
Trade Receivables		2,455	501
Accrued Billing		602	504
Other Receivables		14,000	14,951
Tax Recoverable		40	40
Cash & Bank Balances		339	419
		<u>21,258</u>	<u>19,847</u>
TOTAL ASSETS		<u><u>21,411</u></u>	<u><u>20,000</u></u>
Equity			
Share Capital		50,895	50,895
Accumulated Losses		(34,028)	(33,556)
Translation Adjustment Account		(429)	(438)
Total Equity		<u>16,438</u>	<u>16,901</u>
Non Current Liabilities			
Bank borrowing		2,065	1,000
		<u>2,065</u>	<u>1,000</u>
Current Liabilities			
Trade Payables		385	754
Progress billings		176	246
Other Payables & Accruals		2,347	1,099
		<u>2,908</u>	<u>2,099</u>
Total Liabilities		4,973	3,099
Total Equity And Liabilities		<u><u>21,411</u></u>	<u><u>20,000</u></u>
Net assets per share		0.3230	0.3321

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 period ended 30 September 2012

	< ----- Non-distributable ----- >		Distributable	
	Share Capital RM'000	Translation Adjustment Account RM'000	Accumulated Losses RM'000	Total RM'000
Balance as at 1 January 2011	50,895	(714)	(32,292)	17,889
Currency translation differences	-	276	-	276
Net loss for the quarter	-	-	(1,264)	(1,264)
Balance as at 31 December 2011	50,895	(438)	(33,556)	16,901
Currency translation differences	-	10	-	10
Net profit for the quarter	-	-	(694)	(694)
Balance as at 30 June 2012	50,895	(428)	(34,250)	16,217
Currency translation differences	-	(1)	-	(1)
Net profit for the quarter	-	-	222	222
Balance as at 30 September 2012	50,895	(429)	(34,028)	16,438

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 2011.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the period ended 30 September 2012

	Period Ended 30 September- 2012 RM'000	Period Ended 30 September 2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(472)	30
Adjustment for:		
Depreciation of property, plant and equipment	27	9
Bad Debts written off	-	-
Allowance for impairment on goodwill	-	-
Allowance for doubtful debts	-	-
Interest expenses	73	-
Interest income	(6)	-
Operating loss before working capital changes	<u>(378)</u>	<u>39</u>
Decrease in Development Properties	(390)	(79)
(Increase)/Decrease in receivables	(1,102)	(626)
Decrease/(Increase) in payable	808	(125)
Net cash used in operating activities	<u>(1,062)</u>	<u>(791)</u>
Interest received	6	-
Interest expenses	(73)	-
Tax paid	-	-
	<u>(1,129)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(26)	-
Net cash used in investing activities	<u>(26)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	1,065	1,000
(Placement)/withdrawal of fixed deposits	-	-
Net cash generated from financing activities	<u>1,065</u>	<u>1,000</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(90)	209
EFFECT ON TRANSLATION DIFFERENCES	9	(70)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	419	113
CSAH AND CASH EQUIVALENTS CARRIED FORWARD	<u>338</u>	<u>252</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

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 2011.

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 2011.

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 1	First-time adoption of Financial Reporting Standard
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
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 138	Intangible Assets
Amendments to FRSs contained in the documents entitled “ Improvements to FRSs (2010)	

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

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

Part A – Explanatory Notes Pursuant to FRS 134

The Group have not adopted earlier the following new FRSs, revised FRSs, amendments to FRSs and IC Interpretations, which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:-

		Effective date for financial periods beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
IC Interpretation 15	Agreements for Construction of Real Estate	1 January 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 9	Financial Instruments	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interest in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

On 19 November 2011, the Malaysian Accounting Standard Board (MASB) gives notices of issuance new MASB approved accounting standards, herein-refer as **Malaysian Financial Reporting Standards (MFRSs or framework MFRS)**. Entities Other Than Private Entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and venture (herein called “Transitioning Entities”).

Transitioning Entities will be allowed to defer adoption of the MFRS Framework for an additional one year. Therefore, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group of which of the Company is the holding company falls within the scope definition of Transitioning Entities, and accordingly, the Company will be required to prepare financial statements using the MFRS Framework for the year ending 31 December 2013. In presenting their first MFRS financial statement, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The adjustments required on first time application of MFRS will be made, retrospectively, against opening retained earnings or accumulated losses.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

Part A – Explanatory Notes Pursuant to FRS 134

A3. Declaration of Qualification of Audit Report

There was no qualification in the audited report for the year ended 31 December 2011.

A4. Seasonality or cyclicity of operations

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

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.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

Part A – Explanatory Notes Pursuant to FRS 134

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

	Aviation Services	Property and Investment Holdings	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	1,762	1,395	-	3,157
Inter-segment sales	-	-	-	-
Total Revenue	<u>1,762</u>	<u>1,395</u>	<u>-</u>	<u>3,157</u>
Segment result (external)	(39)	261	-	<u>222</u>
Profit/(loss) before taxation				<u>222</u>
Taxation				<u>-</u>
Profit/(Loss) after taxation				<u>222</u>
Segment assets	607	20,804	-	<u>21,411</u>
Segment liabilities	128	4,845		<u>4,973</u>

A10. Valuation of Investment Properties and Property, Plant and Equipment

There were no changes in the valuations of investment properties and property, plant and equipment since the last annual financial statement.

11. 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.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

Part A – Explanatory Notes Pursuant to FRS 134

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

	Current Quarter Ended 30 September 2012 RM'000	Current Quarter Ended 30 September 2012 RM'000
Malaysia-Beijing Travel Services Sdn Bhd		
-Sales of Services	-	1,100
-Purchase of Services	-	1,023
-Rental expenses of premises	19	19
	<hr/>	<hr/>

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 31 September 2012

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

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

Quarter on quarter review

For the quarter under review, the Group registered a revenue of RM3.16 million and a net profit after taxation of RM0.22 million compared to a revenue of RM3.68 million and a net profit after taxation of RM0.030 million in the previous year's corresponding quarter.

The higher profit was mainly due higher revenue received in the Group property and investment business segment in the current quarter.

The quarter on quarter movements in the segment revenues are as follows:

	Current	Preceding	Variance	
	30 September 2012	30 September 2011		
	RM'000	RM'000	%	RM'000
Aviation services	1,762	3,069	42.59%	(1,307)
Property and investment holdings	1,395	611	128.31%	784
	3,157	3,680	14.21%	(523)

The decrease in revenue as compared in preceding quarter was mainly due to lower revenue recorded in the air ticket services in the current quarter as compared with preceding year.

The year on year movements in the segment revenues are as follows:

	Current year to date	Preceding year to date	Variance	
	30 September 2012	30 September 2011		
	RM'000	RM'000	%	RM'000
Aviation services	5,347	7,585	29.51%	(2,238)
Property and investment holdings	3,295	4,092	19.48%	(797)
	8,642	11,677	25.99%	(3,035)

The decrease in revenue was mainly due to the lower revenue recorded in the aviation business for the year. The aviation business suffered when China's exports and tourism business between Malaysia and China slow down, thus severely reducing the performance of the Group's air cargo and airline ticketing businesses.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

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

B2. Comparison with Preceding Quarter's Results

Revenue recorded for current quarter was RM3.16 million which showed an increase of RM0.2 million compared to that of the preceding quarter. Profit after taxation for the quarter was RM0.22 million compared to a profit after taxation of RM0.13 million in the preceding quarter.

B3. Future Prospects

Nagamas Venture Sdn Bhd, a wholly owned subsidiary of the Company, is the Project Delivery Partner for the Silverlakes project located in Batu Gajah, Perak.

Silverlakes is a 511-acre secluded lake and flatland project which encompasses pool villa lakeside resort, premium outlet street mall and high end residential development.

Phase 1 of Silverlakes project was launched recently, which is a 111 units of pool villa lakeside resort known as Alorie Cocoon Resort, to be managed by Alorie Hospitality, an international hotel management company.

The development is expected to contribute positively to the earnings of the Group in the future years from 2013 to 2015, subject to market supply and demand conditions on the sale & marketing of the development.

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.

B8. Group Borrowings

Total group borrowings as at 30 September 2012 were as follows: -

	Secured	Total
	RM'000	RM'000
Bridging loan	<u>2,065</u>	<u>2,065</u>

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Period Ended 30 September 2012

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

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:-

	RM'000
Basic	<u>222</u>
	50,895
=	0.44 sen
Diluted	Not applicable

B12. Notes to the statement of comprehensive income

The following (gain)/loss have been included in arriving at profit/(loss) before taxation :

	Current Quarter 30.09.2012 RM'000	Current Year to date 30.09.2012 RM'000
Interest income	3	6
Interest expenses	24	73
Depreciation and amortization	<u>9</u>	<u>27</u>

B12. Realised and Unrealised Profits/Losses Disclosure

	Current Quarter Ended 30 September 2012 RM '000	Preceding Quarter Ended 30 September-2011 RM '000
Total realised losses	(33,189)	(32,635)
Total unrealised profits/(loss)	-	161
Less : Consolidated adjustment	(839)	(25)
Total accumulated losses	<u>(34,028)</u>	<u>(32,499)</u>

By Order of the Board