

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

Interim Financial Report
31-Mar-13

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NAGAMAS INTERNATIONAL BERHAD (111365-U)
 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 - For the period ended 31 March 2013

| | Individual Quarter | | Cumulative Quarter | |
|---|---|--|---|---|
| | Current Year Quarter 31-Mar-13 RM'000 | Preceding Year Quarter 31-Mar-12 RM'000 | Current Year To date 31-Mar-13 RM'000 | Preceding Year To date 31-Mar-12 RM'000 |
| Revenue | 2,264 | 2,645 | 2,264 | 2,645 |
| Cost of Sales | (1,101) | (2,568) | (1,101) | (2,568) |
| Operating profit | 1,163 | 77 | 1,163 | 77 |
| Other Income | 3 | 31 | 3 | 31 |
| Administration and general expenses | (821) | (822) | (821) | (822) |
| Selling and marketing expenses | - | (88) | - | (88) |
| Finance costs | (45) | (22) | (45) | (22) |
| Profit /(loss) before taxation | 300 | (824) | 300 | (824) |
| Taxation | - | - | - | - |
| Net profit/(loss) for the period | 300 | (824) | 300 | (824) |
| Other comprehensive income after tax: | | | | |
| Net currency translation differences | - | (321) | - | (321) |
| Other comprehensive income for the period, net of tax | - | (321) | - | (321) |
| Total comprehensive income for the period | 300 | (1,145) | 300 | (1,145) |
| Net profit/(loss) attributable to: | | | | |
| - Owners of the parent | 300 | (824) | 300 | (824) |
| - Minority interest | - | - | - | - |
| | 300 | (824) | 300 | (824) |
| Total comprehensive income attributable to: | | | | |
| - Owners of the parent | 300 | (1,145) | 300 | (1,145) |
| - Minority interest | - | - | - | - |
| | 300 | (1,145) | 300 | (1,145) |
| Earnings per share (sen) for loss attributable to owners of the Parent | | | | |
| -Basic (sen) | 0.59 | (1.62) | 0.59 | (1.62) |
| -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 2012 and the accompanying explanatory notes attached to the interim financial report.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 - For the period ended 31 March 2013

| | 31-Mar-13 (Unaudited) RM'000 | 31-Dec-12 (Audited) RM'000 |
|--------------------------------------|------------------------------------|----------------------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant and Equipment | 8,770 | 8,785 |
| | <u>8,770</u> | <u>8,785</u> |
| Current Assets | | |
| Property Development Costs | 4,040 | 3,709 |
| Trade Receivables | 3,583 | 1,808 |
| Accrued Billing | 538 | 1,111 |
| Amount due from customer on contract | 149 | 131 |
| Other Receivables | 5,094 | 5,085 |
| Tax Recoverable | - | - |
| Cash & Bank Balances | 373 | 394 |
| | <u>13,777</u> | <u>12,238</u> |
| TOTAL ASSETS | <u>22,547</u> | <u>21,023</u> |
| Equity | | |
| Share Capital | 50,895 | 50,895 |
| Accumulated Losses | (34,850) | (35,150) |
| Translation Adjustment Account | (757) | (757) |
| Total Equity | <u>15,288</u> | <u>14,988</u> |
| Non Current Liabilities | | |
| Bank borrowing | 2,140 | 2,183 |
| | <u>2,140</u> | <u>2,183</u> |
| Current Liabilities | | |
| Trade Payables | 372 | 461 |
| Progress billings | 1,026 | 727 |
| Other Payables & Accruals | 3,721 | 2,664 |
| | <u>5,119</u> | <u>3,852</u> |
| Total Liabilities | 7,259 | 6,035 |
| Total Equity And Liabilities | <u>22,547</u> | <u>21,023</u> |
| Net assets per share | 0.3004 | 0.2945 |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 31 March 2013

| | < ----- Non-distributable ----- | | Distributable | |
|-------------------------------------|---------------------------------|-----------------------|-----------------------|-----------------|
| | Share Capital RM'000 | Translation RM'000 | Accumulated RM'000 | Total RM'000 |
| Balance as at 1 January 2012 | 50,895 | (438) | (33,556) | 16,901 |
| Currency translation differences | - | (319) | - | (319) |
| Net loss for the year | - | - | (1,594) | (1,594) |
| Balance as at 31 December 2012 | 50,895 | (757) | (35,150) | 14,988 |
| Currency translation differences | - | - | - | - |
| Net profit for the quarter | - | - | 300 | 300 |
| Balance as at 31 March 2013 | 50,895 | (757) | (34,850) | 15,288 |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
- For the period ended 31 March 2013

| | Period Ended 31-Mar-13 RM'000 | Period Ended 31-Mar-12 RM'000 |
|--|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM | | |
| Profit/(Loss) before taxation | 300 | (824) |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | 15 | 9 |
| Interest expenses | 45 | 22 |
| Interest income | - | (2) |
| Operating profit/(loss) before | <u>360</u> | <u>(795)</u> |
| (Increase)/Decrease in Development Properties Costs | (331) | (145) |
| (Increase)/Decrease in receivables | (1,229) | 476 |
| Decrease/(Increase) in payable | 1,269 | 349 |
| Net cash generated from/(used in) operating activities | <u>69</u> | <u>(115)</u> |
| Interest received | - | 2 |
| Interest expenses | (45) | (22) |
| | <u>24</u> | <u>(135)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant & equipment | - | - |
| Purchase of investment | - | - |
| Net cash used in investing | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown of bank borrowing | - | 403 |
| Interest paid | (45) | - |
| Repayment of bank loan | - | - |
| Net cash generated from financing activities | <u>(45)</u> | <u>403</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (21) | 268 |
| EFFECT ON TRANSLATION DIFFERENCES | - | (321) |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 394 | 419 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | <u><u>373</u></u> | <u><u>366</u></u> |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
- For the period ended 31 March 2013

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 2012.

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 2012.

A2. Changes 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 2013:

| | | |
|----------------------|---|-----------|
| FRS 9 | Financial Instruments | 01-Jan-13 |
| FRS 10 | Consolidated Financial Statements | 01-Jan-13 |
| FRS 11 | Joint Arrangements | 01-Jan-13 |
| FRS 12 | Disclosures of Interest in Other Entities | 01-Jan-13 |
| FRS 13 | Fair Value Measurement | 01-Jan-13 |
| FRS 119 | Employee Benefits | 01-Jan-13 |
| FRS 127 | Separate Financial Statements | 01-Jan-13 |
| FRS 128 | Investment in Associates and Joint Ventures | 01-Jan-13 |
| IC Interpretation 20 | Stripping Costs in the Production Phase of a Surface Mine | 01-Jan-13 |

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

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 are allowed to defer adoption of the new MFRS Framework for an additional two years. Therefore, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ended 31 December 2014. For the financial year ending 31 December 2013, the Group will continue to prepare financial statements using the Financial Reporting Standards ("FRS").

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 and Appendix 9B of Listing Requirements.

A3. Declaration of Qualification of Audit Report

There was no qualification in the audited report for the year ended 31 December 2012.

A4. Seasonality or cyclicity of operations

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

NAGAMAS INTERNATIONAL BERHAD (111365-U)
- For the period ended 31 March 2013

Part A – Explanatory Notes Pursuant to FRS 134

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 that have had a material effect in the current financial year-to-date results.

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

| | Services | Property and Investment Holdings | Eliminations | Consolidated |
|-------------------------------|------------|--|--------------|----------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| External sales | 914 | 1,350 | - | 2,264 |
| Inter-segment sales | - | | - | - |
| Total Revenue | <u>914</u> | <u>1,350</u> | <u>-</u> | <u>2,264</u> |
| Segment result (external) | - | 300 | | <u>300</u> |
| Profit/(loss) before taxation | | | | <u>300</u> |
| Taxation | | | | <u>-</u> |
| Profit/(Loss) after taxation | | | | <u><u>300</u></u> |
| Segment assets | 15 | 22,532 | | <u><u>22,547</u></u> |
| Segment liabilities | 767 | 6,492 | | <u><u>7,259</u></u> |

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

There was no change of valuation value in investment properties and no changes in property, plant and equipment during the quarter.

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.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
 - For the period ended 31 March 2013

Part A – Explanatory Notes Pursuant to FRS 134

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

| | Current Quarter Ended 31-Mar-13 RM'000 |
|--|--|
| Malaysia-Beijing Travel Services Sdn Bhd | |
| -Sales of Services | - |
| -Purchase of Services | - |
| -Rental expenses of premises | 19 |
| | <u>19</u> |

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 RM2.26 million and a net profit after taxation of RM0.3 million compared to a revenue of RM2.65 million and a net loss after taxation of RM0.82 million in the previous year's corresponding quarter.

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

| | Current | Preceding | Variance | |
|-------------------------|-----------|-----------|----------|--------|
| | 31-Mar-13 | 31-Mar-12 | % | RM'000 |
| | RM'000 | RM'000 | | |
| Services | 914 | 2,010 | -54.53% | -1,096 |
| Property and investment | 1,350 | 635 | 112.60% | 715 |
| | 2,264 | 2,645 | -14.40% | -381 |

The decrease in revenue as compared in preceding quarter was due to lower revenue recorded in the services (air tickets and cargo) segment, whereas the property and investment segment has shown increase in revenue from progress billings.

B2. Comparison with Preceding Quarter's Results

Revenue recorded for current quarter was RM2.26 million which showed an increase of RM0.61 million compared to that of the preceding quarter. Profit after taxation for the quarter was RM0.3 million compared to a loss after taxation of RM1.0 million in the preceding quarter.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
- For the period ended 31 March 2013

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

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.

The Silverlakes is a mixed tourism based destination development comprising of retail, resort, residence, retirement and recreation.

As of 2013, 2 packages; namely, retail and resort, have been approved by the relevant authorities with combined estimated GDV of RM300 million, spread over 3 to 5 years, subject to market supply and demand conditions on the sale and marketing of the development. The Company is embarking on very credible and exciting partnerships with industry experts for collaboration success in the project.

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 31 March 2013 were as follows: -

| | Secured RM'000 | Total RM'000 |
|---------------|-------------------|-----------------|
| Bridging loan | <u>2,183</u> | <u>2,140</u> |

B9. Off Balance Sheet Financial Instruments

None.

B10. Material Litigation

None.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
- For the period ended 31 March 2013

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

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

EPS for the quarter is as follows:-

| | | |
|--------------|---------------|----------------|
| | RM'000 | |
| Basic in sen | 300 | |
| | <u>50,895</u> | |
| | = | 0.59 |
| 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 31-Mar-13 RM'000 | Current Year to date 31-Mar-13 RM'000 |
|-------------------------------|---|--|
| Interest expenses | 45 | 22 |
| Depreciation and amortization | <u>15</u> | <u>9</u> |

B12. Realised and Unrealised Profits/Losses Disclosure

| | Current 31-Mar-13 RM '000 | Preceding 31-Mar-12 RM '000 |
|-----------------------------------|---------------------------------|-----------------------------------|
| Total realised losses | (34,130) | (34,351) |
| Total unrealised profits/(loss) | - | (29) |
| Less : Consolidated adjustment | (720) | - |
| Total accumulated losses | <u>(34,850)</u> | <u>(34,380)</u> |

By Order of the Board