

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Balance Sheet
As At 30 June 2009

	AS AT 30 Jun 2009 RM'000	AS AT 31 Dec 2008 RM'000
Non Current Assets		
Property, Plant and Equipment	5,814	6,390
Long Term Investments	475	581
Goodwill on Consolidation	1,626	1,582
	<u>7,915</u>	<u>8,553</u>
Current Assets		
Inventories	11,601	13,820
Trade Receivables	17,476	17,785
Other Receivables	10,818	10,702
Cash	5,323	6,720
Others - Time deposits placed with licensed financial institutions	8,221	5,793
- Tax recoverable	327	554
	<u>53,766</u>	<u>55,374</u>
Total Assets	<u>61,681</u>	<u>63,927</u>
Equity		
Share Capital	50,895	50,895
Accumulated Losses	(6,544)	(6,138)
Translation Adjustment Account	(95)	3
Total Equity	<u>44,256</u>	<u>44,760</u>
Non Current Liabilities		
Deferred Taxation	49	49
Current Liabilities		
Trade Payables	4,111	3,425
Other Payables	13,056	12,476
Short Term Borrowings	209	3,217
	<u>17,376</u>	<u>19,118</u>
Total Liabilities	17,425	19,167
Total Equity And Liabilities	<u>61,681</u>	<u>63,927</u>
Net assets per share (RM)	0.8696	0.8795

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Report for the 9-month financial period ended 31 December 2008)

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Income Statement
For The Quarter Ended 30 June 2009

	3 months '09	3 months '08	YTD '09	YTD '08
	2009 Current quarter ended 30 June RM'000	2008 Comparative quarter ended 30 June RM'000	2009 6 months Cumulative to date RM'000	2008 6 months Cumulative to date RM'000
Revenue	<u>32,835</u>	<u>29,360</u>	<u>48,750</u>	<u>52,598</u>
Gross Profit	4,104	4,941	7,634	10,972
Operating Expenses	(4,167)	(4,163)	(7,917)	(7,607)
(Loss)/Profit from Operation	<u>(63)</u>	<u>778</u>	<u>(283)</u>	<u>3,365</u>
Other Income	177	180	371	601
Finance costs	(3)	(47)	(55)	(106)
Profit before taxation	<u>111</u>	<u>911</u>	<u>33</u>	<u>3,860</u>
Taxation	(217)	(415)	(440)	(688)
(Loss)/Profit after taxation	<u>(106)</u>	<u>496</u>	<u>(407)</u>	<u>3,172</u>
Minority Interest	-	-	-	-
Net (loss)/profit for the period	<u>(106)</u>	<u>496</u>	<u>(407)</u>	<u>3,172</u>
(LPS)/EPS				
- Basic (sen)	(0.21)	0.97	(0.80)	6.23
- Diluted (sen)	N/A	N/A	N/A	N/A
Gross Interest Income	32	63	71	113
Gross Interest Expenses	(3)	(47)	(55)	(106)

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Report for the 9-month financial period ended 31 December 2008)

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Statement of Changes in Equity
For The Quarter Ended 30 June 2009

	← <i>Non-Distributable</i> →		<i>Distributable</i>	
	Share Capital RM	Translation Adjustment Account RM	Accumulated Losses RM	Total RM
Balance as at 1 January 2009	50,895,000	2,762	(6,137,673)	44,760,089
Currency translation differences	-	136,035	-	136,035
Net loss for the quarter	-	-	(300,798)	(300,798)
Balance as at 31 March 2009	50,895,000	138,797	(6,438,471)	44,595,326
Currency translation differences	-	(234,268)	-	(234,268)
Net loss for the quarter	-	-	(106,022)	(106,022)
Balance as at 30 June 2009	50,895,000	(95,471)	(6,544,493)	44,255,036

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Report for the 9-month financial period ended 31 December 2008)

NAGAMAS INTERNATIONAL BERHAD
Condensed Consolidated Cash Flow Statement
For The Quarter Ended 30 June 2009

	30 Jun 09	30 Jun 08
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	111	911
Adjustment for:		
Depreciation of property, plant and equipment	138	166
Foreign exchange translation	(242)	(115)
Property, plant and equipment written off	463	-
Provision for doubtful debts	-	192
Bad debts written off	-	458
Interest expense	3	47
Interest income	(32)	(63)
Operating profit before working capital changes	<u>441</u>	<u>1,596</u>
Decrease/(Increase) in inventories	1,015	(960)
Increase in receivables	(1,414)	(6,152)
Increase in payables	2,037	5,431
Cash generated from/(used in) operations	<u>2,079</u>	<u>(85)</u>
Interest paid	(3)	(47)
Interest received	32	63
Tax paid	(217)	(153)
Net cash generated from/(used in) operating activities	<u>1,891</u>	<u>(222)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary companies	(230)	-
Placement of fixed deposits	(2,088)	(1,866)
Purchase of property, plant and equipment	(29)	(57)
Net cash used in investing activities	<u>(2,347)</u>	<u>(1,923)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(121)	(6)
Net cash used in financing activities	<u>(121)</u>	<u>(6)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(577)	(2,151)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	5,900	5,505
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>5,323</u>	<u>3,354</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Report for the 9-month financial period ended 31 December 2008)

NAGAMAS INTERNATIONAL BERHAD
Quarter Ended 30 June 2009
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 9-month financial period ended 31 December 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 9-month financial period ended 31 December 2008.

2. Declaration of Qualification of Audit Report

There was no qualification in the auditors report for the period ended 31 December 2008.

3. Seasonality or cyclical nature 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 30 June 2009
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	20,892,186	(3,377,220)	17,514,966	509,985
Aviation services	15,320,057	-	15,320,057	99,678
Property & investment holding	48,632	(48,632)	-	(499,065)
Group	36,260,875	(3,425,852)	32,835,023	110,598

By Geographical Segment

	External Sales RM	Profit/(Loss) Before Taxation RM
Malaysia	25,177,519	265,779
Singapore	59,128	(4,295)
Canada	189,478	(131,107)
China	7,401,225	-
Hong Kong	7,673	(19,779)
Group	32,835,023	110,598

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

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

NAGAMAS INTERNATIONAL BERHAD

Quarter Ended 30 June 2009

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

11. Changes in the composition of the Group

On 23 April 2009, Nagamas entered into a Conditional Share Purchase Agreement with Mr. Auw Yong Seng and Ms. Yeo Soat Luang, to acquire the entire equity interest in Mas-be Travel Services Sdn Bhd of 200,002 ordinary shares of RM1.00 each for a total cash consideration of RM230,000 only. The acquisition was completed on 29 May 2009.

On 1 June 2009, Nagamas also acquired 2 ordinary shares of RM1.00 each in First Weld Trading Sdn Bhd (“FWT”) representing the entire issued and paid-up capital in FWT for a total cash consideration of RM2.00. FWT subsequently changed its name to Nagamas Land Development Sdn Bhd on 5 June 2009.

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 RM32.84 million which showed an increase of RM16.92 million compared to that of the preceding quarter. Operating loss for the quarter before interest on borrowing was RM0.06 million compared to an operating loss of RM0.22 million in the preceding quarter. Higher revenue for the quarter under review was mainly attributable to significant increase in sales in aviation services.

14. Review of Performance

For the quarter under review, the Group registered a revenue of RM32.84 million and a net loss after taxation of RM0.10 million. At the operating level, the Group recorded an operating loss of RM0.06 million compared to an operating profit of RM0.78 million in the previous year’s corresponding quarter. The operating loss for the current quarter was mainly attributable to low gross profit margin achieved for the quarter under review.

15. Future Prospects

The Group will be expanding its aviation and property businesses.

16. Variance on Profit Forecast / Profit Guarantee

Not applicable.

NAGAMAS INTERNATIONAL BERHAD

Quarter Ended 30 June 2009

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

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 30 June 2009.

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 30 June 2009

	<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
	<hr/>
Total Proceeds	<u>24,795</u>

21. Group Borrowings

Group borrowings as at 30 June 2009:

	Secured RM'000
LC/TR/BA	<u>209</u>

Note:

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

NAGAMAS INTERNATIONAL BERHAD

Quarter Ended 30 June 2009

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

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(l)(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(l)(a) of the Companies Act, 1965.

NAGAMAS INTERNATIONAL BERHAD

Quarter Ended 30 June 2009

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

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 26 October 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 26 October 2009 for the decision 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 :	(106)

	50,895
=	(0.21) sen
Diluted:	Not Applicable