

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

Interim Financial Report

31 December 2011

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	Page No.
Condensed Consolidated Income Statement	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	3
Condensed Consolidated Statement of Cash Flows	4
Notes to the Interim Financial Report	5-10

NAGAMAS INTERNATIONAL BERHAD (111365-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- For the quarter ended 31 December 2011

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31.12.2011 RM'000	Preceding Year Quarter 31.12.2010 RM'000	Current Year To date 31.12.2011 RM'000	Preceding Year To date 31.12.2010 RM'000
Revenue		3,659	4,954	15,336	29,897
Cost of Sales		(3,549)	(4,282)	(13,766)	(28,632)
Operating profit		110	672	1,570	1,265
Other Income		558	154	2,915	861
Administration and general expenses		(1,730)	(2,523)	(5,519)	(25,554)
Selling and marketing expenses		(58)	(150)	(215)	(493)
Other expenses		(70)	-	(70)	-
Finance costs		(53)	-	(101)	-
Profit /(loss) before taxation		(1,243)	(1,847)	(1,420)	(23,921)
Taxation		58	-	58	(86)
Net profit/(loss) for the period		(1,185)	(1,847)	(1,362)	(24,007)
Other comprehensive income after tax:					
Net currency translation differences		826	16	371	(534)
Other comprehensive income for the period, net of tax		826	16	371	(534)
Total comprehensive income for the period		(359)	(1,831)	(991)	(24,541)
Net profit/(loss) attributable to:					
- Owners of the parent		(1,185)	(1,847)	(1,362)	(24,007)
- Minority interest		-	-	-	-
		(1,185)	(1,847)	(1,362)	(24,007)
Total comprehensive income attributable to:					
- Owners of the parent		(359)	(1,831)	(991)	(24,541)
- Minority interest		-	-	-	-
		(359)	(1,831)	(991)	(24,541)
Earnings per share (sen) for loss attributable to owners of the Parent					
-Basic (sen)		(2.33)	(3.63)	(2.68)	(47.17)
-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 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 31 December 2011

	Note	31.12.2011 (Unaudited) RM'000	31.12.2010 (Audited) RM'000
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	A10	153	121
Goodwill on Consolidation		-	69
		<u>153</u>	<u>190</u>
Current Assets			
Property Development Costs		3,432	3,692
Trade Receivables		501	1,999
Accrued Billing		504	-
Other Receivables		14,939	12,682
Tax Recoverable		40	40
Cash & Bank Balances		419	652
		<u>19,835</u>	<u>19,065</u>
TOTAL ASSETS		<u>19,988</u>	<u>19,255</u>
Equity			
Share Capital		50,895	50,895
Accumulated Losses		(33,655)	(32,292)
Translation Adjustment Account		(343)	(714)
Total Equity		<u>16,897</u>	<u>17,889</u>
Non Current Liabilities			
Bank borrowing		1,000	-
		<u>17,897</u>	<u>17,889</u>
Current Liabilities			
Trade Payables		719	418
Progress billings		246	744
Other Payables & Accruals		1,126	204
		<u>2,091</u>	<u>1,366</u>
Total Liabilities		2,091	1,366
Total Equity And Liabilities		<u>19,988</u>	<u>19,255</u>
Net assets per share		0.3320	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 31 December 2011

	< ----- 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	-	(455)	-	(455)
Net loss for the quarter	-	-	(178)	(178)
Balance as at 30 September 2011	50,895	(1,169)	(32,470)	17,256
Currency translation differences	-	826	-	826
Net profit for the quarter	-	-	(1,185)	(1,185)
Balance as at 31 December 2011	50,895	(343)	(33,655)	16,897

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 31 December 2011

	Period Ended 31 December-11 RM'000	Period Ended 31 December 10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(1,185)	(1,847)
Adjustment for:		
Depreciation of property, plant and equipment	9	7
Bad Debts written off	9	-
Allowance for impairment on goodwill	70	-
Allowance for doubtful debts	269	914
Interest expenses	53	-
Interest income	(2)	(9)
Operating loss before working capital changes	(777)	(935)
Decrease in Development Properties	(219)	409
(Increase)/Decrease in receivables	798	(2,055)
Decrease/(Increase) in payable	(153)	(200)
Net cash used in operating activities	(351)	(2,781)
Interest received	2	9
Interest expenses	(53)	-
Tax paid	-	-
	(402)	(2,772)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	-	-
(Placement)/withdrawal of fixed deposits	-	2,000
Net cash used in financing activities	-	2,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(402)	(772)
EFFECT ON TRANSLATION DIFFERENCES	569	10
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	252	1,414
CSAH AND CASH EQUIVALENTS CARRIED FORWARD	419	652

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.

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)
Quarter Ended 31 December 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

	Aviation Services RM'000	Property and Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External sales	3,490	169	-	3,659
Inter-segment sales	-	-	-	-
Total Revenue	<u>3,490</u>	<u>169</u>	<u>-</u>	<u>3,659</u>
Segment result (external)	(34)	(1,209)	-	(1,243)
Profit/(loss) before taxation				(1,243)
Taxation				58
Profit/(Loss) after taxation				<u>(1,185)</u>
Segment assets	1,307	18,681	-	19,988
Segment liabilities	178	1,913		<u>2,091</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.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Quarter Ended 31 December 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

	Current Quarter Ended 31 December 2011 RM'000	Current Year To- Date Ended 31 December 2011 RM'000
Malaysia-Beijing Travel Services Sdn Bhd		
-Sales of Services	1,207	4,269
-Purchase of Services	1,123	3,971
-Rental expenses of premises	19	75
	<hr/>	<hr/>

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 RM3.66 million and a net loss after taxation of RM1.19 million compared to RM4.95 million and a net loss after taxation of RM1.85 million respectively in the previous year's corresponding quarter.

The lower loss was due to lower expenses recorded in the quarter.

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

	Current		Preceding		Variance	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010	%	RM'000
	RM'000	RM'000				
Aviation services	3,490	3,735			6.56%	(245)
Property and investment holdings	169	1,219			86.14%	(1,050)
	3,659	4,954			26.14%	(1,295)

The decrease in revenue was mainly due to lower revenue recorded in the Group's property segment.

Year on year review

For the financial period ended 31 December 2011, the Group recorded a revenue of RM15.34 million and a net loss after taxation of RM1.36 million compared to RM29.90 million and a net loss after taxation of RM24.01 million registered in the corresponding period last year.

The significant decrease in net loss after taxation was mainly attributable to the disposal of the Group's entire interest in the Industrial Division which was completed on 8 January 2010.

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

	Financial year ended		Variance	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	%	RM'000
Aviation services	11,075	27,125	59.17%	(16,050)
Property and investment holdings	4,261	2,772	53.72%	1,489
	15,336	29,897	48.70%	(14,561)

The significant decrease in revenue was 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.

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 RM3.66 million which showed a decrease of RM0.02million compared to that of the preceding quarter. Loss for the quarter after taxation was RM1.19 million compared to a profit after taxation of RM0.03 million in the preceding quarter.

The higher loss was due to the impairment of goodwill, allowance for doubtful debts and written off the project expenses recorded in the quarter.

B3. Future Prospects

The Group has launched its sales of double storey terrace houses for its Nagamas Mantin project and so far more than 50% of the houses have been sold. The Group is optimistic to achieve good demand for the remaining of the unsold units for financial year 2012.

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 December 2011 were as follows: -

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

B9. Off Balance Sheet Financial Instruments

None.

B10. Material Litigation

None.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
Quarter Ended 31 December 2011

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 loss 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>(1,185)</u>
	50,895
=	(2.33) sen
Diluted	Not applicable

B12. Realised and Unrealised Profits/Losses Disclosure

	Current Quarter Ended 31-Dec-11 RM '000	Preceding Quarter Ended 31-Dec-10 RM '000
Total realised losses	(33,655)	(32,436)
Total unrealised profits/(loss)	-	144
Total accumulated losses	<u>(33,655)</u>	<u>(32,292)</u>

By Order of the Board