

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

Interim Financial Report
30-Sep-13

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NAGAMAS INTERNATIONAL BERHAD (111365-U)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
- For the period ended 30 Sept 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-13 RM'000	Preceding Year Quarter 30-Sep-12 RM'000	Current Year To date 30-Sep-13 RM'000	Preceding Year To date 30-Sep-12 RM'000
Revenue	1,973	3,157	5,463	8,642
Cost of Sales	(1,715)	(2,073)	(3,840)	(6,327)
Operating profit	258	1,084	1,623	2,315
Other Income	-	7	20	10
Administration and general expenses	(899)	(702)	(2,392)	(2,461)
Selling and marketing expenses	-	(143)	-	(263)
Finance costs	(38)	(24)	(114)	(73)
Profit /(loss) before taxation	(679)	222	(863)	(472)
Taxation	-	-	-	-
Net profit/(loss) for the period	(679)	222	(863)	(472)
Other comprehensive income after tax:				
Net currency translation differences	-	(1)	-	9
Other comprehensive income for the period, net of tax	-	(1)	-	9
Total comprehensive income for the period	(679)	221	(863)	(463)
Net profit/(loss) attributable to:				
- Owners of the parent	(679)	222	(863)	(472)
- Minority interest	-	-	-	-
	(679)	222	(863)	(472)
Total comprehensive income attributable to:				
- Owners of the parent	(679)	221	(863)	(463)
- Minority interest	-	-	-	-
	(679)	221	(863)	(463)
Earnings per share (sen) for loss attributable to owners of the Parent				
-Basic (sen)	(1.33)	0.44	(1.70)	(0.93)
-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 30 Sept 2013

	30-Sep-13 (Unaudited) RM'000	31-Dec-12 (Audited) RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	107	8,785
Motor Vehicle	365	-
Investment properties	8,636	-
	<u>9,108</u>	<u>8,785</u>
Current Assets		
Property Development Costs	6,247	3,709
Trade Receivables	2,846	1,808
Accrued Billing	-	1,111
Amount due from customer on contract	-	131
Other Receivables	4,832	5,085
Tax Recoverable	-	-
Cash & Bank Balances	175	394
	<u>14,100</u>	<u>12,238</u>
TOTAL ASSETS	<u>23,208</u>	<u>21,023</u>
Equity		
Share Capital	50,895	50,895
Accumulated Losses	(36,013)	(35,150)
Translation Adjustment Account	(760)	(757)
Total Equity	<u>14,122</u>	<u>14,988</u>
Non Current Liabilities		
Hire Purchase	244	-
Bank borrowing	978	2,183
	<u>1,222</u>	<u>2,183</u>
Current Liabilities		
Trade Payables	871	461
Progress billings	1,690	727
Other Payables & Accruals	5,303	2,664
	<u>7,864</u>	<u>3,852</u>
Total Liabilities	9,086	6,035
Total Equity And Liabilities	<u>23,208</u>	<u>21,023</u>
Net assets per share	0.2775	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 30 Sept 2013

	< ----- <i>Non-distributable</i> ----- >		<i>Distributable</i>	
	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
Currency translation differences	-	(3)	-	(3)
Net loss for the quarter	-	-	(484)	(484)
Balance as at 30 June 2013	50,895	(760)	(35,334)	14,801
Currency translation differences	-	-	-	-
Net loss for the quarter	-	-	(679)	(679)
Balance as at 30 Sept 2013	50,895	(760)	(36,013)	14,122

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 30 Sept 2013

	Period Ended 30-Sep-13 RM'000	Period 30-Sep-12 RM'000
CASH FLOWS FROM		
Profit/(Loss) before taxation	(863)	(472)
Adjustment for:		
Depreciation	71	27
Interest expenses	114	73
Interest income	-	(6)
Operating profit/(loss) before	<u>(678)</u>	<u>(378)</u>
(Increase)/Decrease in Development Properties Costs	(2,538)	(390)
(Increase)/Decrease in receivables	80	(1,102)
Decrease/(Increase) in payable	4,267	808
Decrease in amount due from customer on contract	131	
Loss on disposal of Property, Plant and Equipment	10	
Net cash generated from/(used in) operating activities	<u>1,272</u>	<u>(1,062)</u>
Interest received	-	6
Interest expenses	<u>(114)</u>	<u>(73)</u>
	<u>1,158</u>	<u>(1,129)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of motor vehicle	(413)	-
Purchase of property, plant & equipment	-	(26)
Net cash used in investing	<u>(413)</u>	<u>(26)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowing	-	1,065
Hire Purchase	243	
Interest paid	(114)	-
Repayment of bank loan	(1,090)	-
Net cash generated from financing activities	<u>(961)</u>	<u>1,065</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(216)	(90)
EFFECT ON TRANSLATION DIFFERENCES	(3)	9
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	394	419
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>175</u>	<u>338</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 30 Sept 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 30 Sept 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 as at 30 September 2013

	Property and Investment Holdings		Eliminations	Consolidated
	Services			
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	2,203	3,260	-	5,463
Inter-segment sales	-		-	-
Total Revenue	<u>2,203</u>	<u>3,260</u>	-	<u>5,463</u>
Segment result (external)	(2)	(861)		<u>(863)</u>
Profit/(loss) before taxation				<u>(863)</u>
Taxation				-
Profit/(Loss) after taxation				<u><u>(863)</u></u>
Segment assets	22	23,186		<u><u>23,208</u></u>
Segment liabilities	776	8,310		<u><u>9,086</u></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.

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 30 Sept 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
30-Jun-13
RM'000

Malaysia-Beijing Travel Services Sdn Bhd	
-Sales of Services	-
-Purchase of Services	-
-Rental expenses of premises	<u>56</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 RM1.97million and a net loss after taxation of RM679,000 compared to a revenue of RM3.16 million and a net profit after taxation of RM222,000 in the previous year's corresponding quarter.

The quarter on quarter movements in the segment revenues are as follows (ie. quarterly movement):

	Current	Preceding	Variance	
	30-Sep-13	30-Sep-12		
	RM'000	RM'000	%	RM'000
Services	559	1,762	-68.27%	(1,203)
Property and investment	1,414	1,395	1.36%	19
	1,973	3,157	-37.50%	(1,184)

The decrease in revenue as compared in preceding quarter was due to lower revenue recorded in the services (air tickets and cargo) segment, nevertheless, the property and investment segment has improve on the development of Mantin's project.

The year on year movements in the segment revenues are as follows (ie. cumulative quarterly movement):

	Current	Preceding	Variance	
	30-Sep-13	30-Sep-12		
	RM'000	RM'000	%	RM'000
Services	2,203	5,347	-58.80%	(3,144)
Property and investment	3,260	3,295	-1.06%	(35)
	5,463	8,642	-36.79%	(3,179)

The decrease in revenue was mainly due to the lower revenue recorded in the services segment for the year and also the low demand on ticketing sale. The revenue on the property and investment segment is picking up as Mantin Project is under construction. The subsidiary decide to deliver on the completed unit.

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 RM1.97 million which showed the increase of RM747,000 compared to that of the preceding quarter on 30th June 2013. Loss after taxation for the quarter was RM679,000 compared to a loss after taxation of RM484,000 in the preceding quarter. This was due to increase in overhead costs on manpower hiring and written off renovation costs on sales gallery at Plaza Damas during the quarter.

B3. Future Prospects

Nagamas Land Development Sdn Bhd ("NLD"), a wholly owned subsidiary of the Company, is the developer of 53 units double storey terrace houses at Mantin. The construction of the houses is on-going and so far more than half of the units have been sold, and it is anticipated that the remaining units will be sold at better price upon completion as NLD has obtained approval from Jabatan Perumahan Negara for the selling price to be revised higher.

In line with the Company long term strategic vision to continue with its forays into property development, the Company with Dato' Donald Lim Siang Chai at its helm will be exploring and embarking potential joint venture type developments with landowners in area of Klang Valley.

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 Sept 2013 were as follows: -

	Secured RM'000	Total RM'000
Hire Purchase	244	244
Bridging loan	978	978

B9. Off Balance Sheet Financial Instruments

None.

B10. Material Litigation

None.

NAGAMAS INTERNATIONAL BERHAD (111365-U)
- For the period ended 30 Sept 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 average

EPS for the quarter is as follows:-

	RM'000
Basic in sen	<u>(679)</u> 50,895
=	(1.33)
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-Sep-13 RM'000	Current Year to date 30-Sep-13 RM'000
Interest expenses	38	114
Depreciation and amortization	<u>46</u>	<u>71</u>

B13. Realised and Unrealised Profits/Losses Disclosure

	Current Quarter Ended 30-Sep-13 RM '000	Preceding Quarter Ended 30-Sep-12 RM '000
Total realised losses	(36,012)	(33,189)
Total unrealised profits/(loss)	-	-
Less : Consolidated adjustment	(760)	(839)
Total accumulated losses	<u>(36,772)</u>	<u>(34,028)</u>

By Order of the Board