

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

**Interim Financial Report**

**31 December 2012**

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**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
- For the period ended 31 December 2012

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 31 December 2012 RM'000	Preceding Year Quarter 31 December 2011 RM'000	Current Year To date 31 December 2012 RM'000	Preceding Year To date 31 December 2011 RM'000
<b>Revenue</b>		<b>1,650</b>	<b>3,659</b>	<b>10,291</b>	<b>15,336</b>
Cost of Sales		(1,576)	(3,549)	(7,903)	(13,766)
<b>Operating profit</b>		<b>74</b>	<b>110</b>	<b>2,389</b>	<b>1,570</b>
Other Income		30	677	40	3,034
Administration and general expenses		(987)	(1,750)	(3,532)	(5,539)
Selling and marketing expenses		(66)	(58)	(244)	(215)
Other expenses		-	(70)	-	(70)
Finance costs		(59)	(53)	(132)	(101)
<b>Profit /(loss) before taxation</b>		<b>(1,008)</b>	<b>(1,144)</b>	<b>(1,479)</b>	<b>(1,321)</b>
<b>Taxation</b>		<b>-</b>	<b>58</b>	<b>-</b>	<b>58</b>
<b>Net profit/(loss) for the period</b>		<b>(1,008)</b>	<b>(1,086)</b>	<b>(1,479)</b>	<b>(1,263)</b>
<b>Other comprehensive income after tax:</b>					
Net currency translation differences		(319)	731	(328)	276
<b>Other comprehensive income for the period, net of tax</b>		<b>(319)</b>	<b>731</b>	<b>(328)</b>	<b>276</b>
<b>Total comprehensive income for the period</b>		<b>(1,327)</b>	<b>(355)</b>	<b>(1,807)</b>	<b>(987)</b>
<b>Net profit/(loss) attributable to:</b>					
- Owners of the parent		(1,008)	(1,086)	(1,479)	(1,263)
- Minority interest		-	-	-	-
		<b>(1,008)</b>	<b>(1,086)</b>	<b>(1,479)</b>	<b>(1,263)</b>
<b>Total comprehensive income attributable to:</b>					
- Owners of the parent		(1,327)	(355)	(1,807)	(987)
- Minority interest		-	-	-	-
		<b>(1,327)</b>	<b>(355)</b>	<b>(1,807)</b>	<b>(987)</b>
<b>Earnings per share (sen) for loss attributable to owners of the Parent</b>					
-Basic (sen)		<b>(1.98)</b>	(2.13)	<b>(2.91)</b>	(2.48)
-Diluted (sen)		<b>N/A</b>	N/A	<b>N/A</b>	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 31 December 2012

	Note	31.12.2012 (Unaudited) RM'000	31.12.2011 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	A10	148	153
Investment properties		17,987	-
Goodwill on Consolidation		-	-
		<u>18,135</u>	<u>153</u>
<b>Current Assets</b>			
Property Development Costs		3,709	3,432
Trade Receivables		1,808	501
Accrued Billing		1,111	504
Amount due from customer on contract		131	-
Other Receivables		5,098	14,951
Tax Recoverable		-	40
Cash & Bank Balances		394	419
		<u>12,251</u>	<u>19,847</u>
<b>TOTAL ASSETS</b>		<u><b>30,386</b></u>	<u><b>20,000</b></u>
<b>Equity</b>			
Share Capital		50,895	50,895
Accumulated Losses		(35,035)	(33,556)
Revaluation Reserves		9,360	-
Translation Adjustment Account		(757)	(438)
Total Equity		<u>24,463</u>	<u>16,901</u>
<b>Non Current Liabilities</b>			
Bank borrowing		2,183	1,000
		<u>2,183</u>	<u>1,000</u>
<b>Current Liabilities</b>			
Trade Payables		460	754
Progress billings		728	246
Other Payables & Accruals		2,552	1,099
		<u>3,740</u>	<u>2,099</u>
Total Liabilities		5,923	3,099
<b>Total Equity And Liabilities</b>		<u><b>30,386</b></u>	<u><b>20,000</b></u>
Net assets per share		<b>0.4807</b>	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 31 December 2012**

	< ----- Non-distributable ----- >		Distributable		
	Share Capital RM'000	Translation Adjustment Account RM'000	Accumulated Losses RM'000	Revaluation Reserves RM'000	Total RM'000
<b>Balance as at 1 January 2011</b>	50,895	(714)	(32,292)	-	17,889
Currency translation differences	-	276	-	-	276
Net loss for the quarter	-	-	(1,264)	-	(1,264)
<b>Balance as at 31 December 2011</b>	50,895	(438)	(33,556)	-	16,901
Currency translation differences	-	9	-	-	9
Net profit for the quarter	-	-	(471)	-	(471)
<b>Balance as at 30 September 2012</b>	<b>50,895</b>	<b>(429)</b>	<b>(34,027)</b>	-	<b>16,439</b>
Currency translation differences	-	(328)	-	-	(328)
Increase of revalue investment properties	-	-	-	9,360	9,360
Net loss for the quarter	-	-	(1,008)	-	(1,008)
<b>Balance as at 31 December 2012</b>	<b>50,895</b>	<b>(757)</b>	<b>(35,019)</b>	<b>9,360</b>	<b>24,463</b>

*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 31 December 2012**

	Period Ended 31 December- 2012 RM'000	Period Ended 31 December 2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(1,479)	(1,362)
Adjustment for:		
Depreciation of property, plant and equipment	47	36
Bad Debts written off	227	-
Revaluation of investment properties	9,360	-
Allowance for impairment on goodwill	-	69
Allowance for doubtful debts	-	269
Interest expenses	130	101
Interest income	(8)	(2)
Operating profit/(loss) before working capital changes	<u>8,277</u>	<u>(847)</u>
Decrease in Development Properties	(277)	260
(Increase)/Decrease in receivables	7,714	(1,545)
Decrease/(Increase) in payable	1,640	733
Increase in net amount due from customer on contract	(131)	-
Net cash generated from/(used in) operating activities	<u>17,223</u>	<u>(1,399)</u>
Interest received	8	2
Tax refund	40	58
	<u>17,271</u>	<u>(1,440)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(43)	(69)
Purchase of investment properties	(17,987)	-
Net cash used in investing activities	<u>(18,030)</u>	<u>(69)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowing	1,500	1,000
Interest paid	(131)	(101)
Repayment of bank loan	(317)	-
Net cash generated from financing activities	<u>1,052</u>	<u>1,000</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>293</b>	<b>(509)</b>
<b>EFFECT ON TRANSLATION DIFFERENCES</b>	<b>(318)</b>	<b>276</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>419</b>	<b>652</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b><u>394</u></b>	<b><u>419</u></b>

*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 31 December 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 2012:

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:-

FRS 124	Related Party Disclosures	1 January 2012
FRS 7	Disclosures – Transfers of Financial Assets	1 January 2012
FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
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

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

**Part A – Explanatory Notes Pursuant to FRS 134**

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.

**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 31 December 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**

	<b>Aviation Services</b>	<b>Property and Investment Holdings</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>				
External sales	1,560	90	-	1,650
Inter-segment sales	-		-	-
Total Revenue	<u>1,560</u>	<u>90</u>	<u>-</u>	<u>1,650</u>
Segment result (external)	(39)	(969)		<u>(1,008)</u>
Profit/(loss) before taxation				<u>(1,008)</u>
Taxation				<u>-</u>
Profit/(Loss) after taxation				<u>(1,008)</u>
Segment assets	386	30,000		<u>30,386</u>
Segment liabilities	163	5,760		<u>5,923</u>

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

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

**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 31 December 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

	<b>Current Quarter Ended 31 December 2012 RM'000</b>	<b>Current Quarter Ended 31 December 2012 RM'000</b>
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 December 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 RM1.65 million and a net loss after taxation of RM1.0 million compared to a revenue of RM3.66 million and a net loss after taxation of RM1.086 million in the previous year's corresponding quarter.

The higher losses were mainly due to lower revenue in the company and higher expenses on bad debts written off in the quarter.

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

	<b>Current</b>	<b>Preceding</b>	<b>Variance</b>	
	<b>31 December</b>	<b>31 December</b>		
	<b>2012</b>	<b>2011</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>
Aviation services	1,560	3,490	55.30%	(1,930)
Property and investment holdings	90	169	46.75%	(79)
	<b>1,650</b>	<b>3,659</b>	<b>54.91%</b>	<b>(2,009)</b>

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:

	<b>Current year to date</b>	<b>Preceding year to date</b>	<b>Variance</b>	
	<b>31 December</b>	<b>31 December</b>		
	<b>2012</b>	<b>2011</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>
Aviation services	6,906	11,075	37.63%	(4,169)
Property and investment holdings	3,385	4,260	20.54%	(875)
	<b>10,291</b>	<b>15,335</b>	<b>32.89%</b>	<b>(5,044)</b>

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 31 December 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 RM1.65 million which showed an decrease of RM1.51 million compared to that of the preceding quarter. Loss after taxation for the quarter was RM1.0 million compared to a profit after taxation of RM0.22 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 31 December 2012 were as follows: -

	<b>Secured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
Bridging loan	<u>2,183</u>	<u>2,065</u>

**NAGAMAS INTERNATIONAL BERHAD (111365-U)**  
**Period Ended 31 December 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:-

<b>Basic</b>	<u>RM'000</u> <u>(1,008)</u>
	50,895
<b>=</b>	<b>(1.98) sen</b>
<b>Diluted</b>	<b>Not applicable</b>

**B12. Notes to the statement of comprehensive income**

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

	<b>Current Quarter 31.12.2012 RM'000</b>	<b>Current Year to date 31.12.2012 RM'000</b>
Interest income	2	7
Interest expenses	43	116
Bad debt written off	226	266
Project cost written off	5	5
Depreciation and amortization	<u>17</u>	<u>44</u>

**B12. Realised and Unrealised Profits/Losses Disclosure**

	<b>Current Quarter Ended 31 December 2012 RM '000</b>	<b>Preceding Quarter Ended 31 December-2011 RM '000</b>
Total realised losses	(34,196)	(32,635)
Total unrealised profits/(loss)	-	161
Less : Consolidated adjustment	<u>(839)</u>	<u>(25)</u>
Total accumulated losses	<u>(35,035)</u>	<u>(32,499)</u>

**By Order of the Board**