

**THE NOMAD GROUP BHD (426627-H)
(FORMERLY KNOWN AS KUALA LUMPUR CITY CORPORATION BERHAD)**

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

Notes (In compliance with FRS 134)

A1. Accounting policies

The Unaudited Quarterly Report has been prepared in accordance with the Financial Reporting Standards 134 ('FRS' 134) issued by the Malaysian Accounting Standards Board ('MASB') on 'Interim Financial Reporting' and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad ('BMSB').

The accounting policies and methods of computations adopted by the Group in these quarterly financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2007.

A2. Audit report of previous annual financial report

The audit report of the previous annual financial report was not qualified.

A3. Seasonal or Cyclical Factors

The Group's operations were not affected by any seasonal or cyclical factors.

A4. Unusual items affecting financial statements

There were no unusual items affecting the financial statements for the quarter ended 30 June 2008.

A5. Changes in accounting estimates

There were no changes in the accounting estimates used in the preparation of the financial statements in the current financial quarter as compared to the previous financial year.

A6. Debts and Equity Securities

There was no transaction in Group debts and equity securities for the period ended 30 June 2008.

A7. Dividend Paid

No dividend has been paid during the financial period. The Board of Directors has not declared or recommended the payment of dividend in respect of the current financial period under review.

A8. Segmental Information

Segmental analysis for the current financial year to date is as follows:

Quarter ended 30 June 2008

By Business Segments

Revenue and expenses	Investment holding	#Hospitality Industry	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	4,138	6,497	(219)	10,416
Results				
Segment results	115,485	(1,431)	(114,332)	(278)
Share in results of an associate				29
Taxation				(249)
Loss after taxation				(897)
				(1,146)

By Geographical Locations

Revenue and expenses	Malaysia	*Outside Malaysia	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	9,413	1,222	(219)	10,416
Results				
Segment results	114,728	(674)	(114,332)	(278)
Share in results of an associate				29
Taxation				(249)
Loss after taxation				(897)
				(1,146)

Consist of Serviced Residences and Serviced Offices sectors.

* Operation outside Malaysia refers to that in Singapore and Thailand.

Segmental analysis for the preceding corresponding quarter is as follows:

Quarter ended 30 June 2007

By Business Segments

Revenue and expenses	Investment holding	^Hospitality Industry	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	34,726	3,933	(30,697)	7,962
Results				
Segment results	35,266	1,363	(30,178)	6,451
Share in results of an associate				1,094
Taxation				(1,875)
Profit after taxation				5,670

By Geographical Locations

Revenue and expenses	Malaysia	Outside Malaysia	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	38,659	-	(30,697)	7,962
Results				
Segment results	36,629	-	(30,178)	6,451
Share in results of an associate				1,094
Taxation				(1,875)
Profit after taxation				5,670

^ Consist of Serviced Residences sector only.

A9. Revaluation of property, plant and equipment

There has been no revaluation on any of the Group's property, plant and equipment during the current quarter under review.

A10. Subsequent events

A10.1 The Nomad Offices (Vietnam) Co. Ltd. - Incorporated on 16 July 2008

The Nomad Offices Pte Ltd (formerly known as Nomad Space Pte Ltd), a wholly-owned subsidiary of the company, had on 16 July 2008 incorporated a wholly-owned subsidiary known as The Nomad Offices (Vietnam) Co., Ltd. ('Nomad Vietnam') in Vietnam.

The present share capital of Nomad Vietnam is Vietnam Dong One Billion Six Hundred Twenty Million (VND 1,620,000,000).

The incorporation of Nomad Vietnam is not expected to have any material effects on the issued and paid-up share capital, consolidated earnings and net assets per share, gearing and major shareholders' shareholdings of the Company for the financial year ending 31 December 2008.

None of the Directors and/or major shareholders of TNGB and/or persons connected with them have any interest, direct or indirect, in the incorporation of Nomad Vietnam.

There is no material subsequent events other than as stated above.

A11. Changes in the Composition of the Group

A11.1 Nomad Space (Thailand) Co. Ltd - Incorporated on 12 March 2008

The Nomad Group Bhd ('TNGB') had on 12 March 2008 incorporated a wholly-owned subsidiary known as Nomad Space (Thailand) Co. Ltd. ('NSTCL') in Thailand under the Civil and Commercial Code of Thailand.

The principal activity of NSTCL is investment holding. NSTCL has registered capital of THB10,000,000 divided into 100,000 ordinary shares of THB100 each, and the paid-up capital is THB4,000,000 divided into 100,000 ordinary shares of THB40 each. The incorporation of NSTCL is not expected to have any material effect on the net assets, earnings and gearing of the Group for the financial year ending 31 December 2008.

None of the Directors and/or major shareholders of TNGB and/or persons connected with them have any interest, direct or indirect, in the incorporation of NSTCL.

A11.2 The Nomad Penang Sdn Bhd - Incorporated on 13 May 2008

The Nomad Residences Sdn Bhd (formerly known as Assedina Sdn Bhd), a wholly-owned subsidiary of the Company had on 13 May 2008 incorporated a wholly-owned subsidiary known as The Nomad Penang Sdn Bhd ('Nomad Penang') in Malaysia under the Companies Act, 1965.

The present authorised share capital of Nomad Penang is RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

The incorporation of Nomad Penang is not expected to have any material effects on the issued and paid-up share capital, consolidated earnings and net assets per share, gearing and major shareholders' shareholdings of Nomad for the financial year ending 31 December 2008.

None of the Directors and/or major shareholders of Nomad and/or persons connected with them have any interest, direct or indirect, in the incorporation of Nomad Penang.

A11.3 The Nomad Offices Sdn Bhd - Incorporated on 16 May 2008

The Company had on 16 May 2008 incorporated a wholly-owned subsidiary known as The Nomad Offices Sdn Bhd ('Nomad Offices') in Malaysia under the Companies Act, 1965.

The present authorised share capital of Nomad Offices is RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

The incorporation of Nomad Offices is not expected to have any material effects on the issued and paid-up share capital, consolidated earnings and net assets per share, gearing and major shareholders' shareholdings of Nomad for the financial year ending 31 December 2008.

None of the Directors and/or major shareholders of Nomad and/or persons connected with them have any interest, direct or indirect, in the incorporation of Nomad Offices.

A11.4 The Nomad Offices (Thailand) Co. Ltd. - Incorporated on 9 June 2008

The Nomad Offices Pte. Ltd. (formerly known as Nomad Space Pte. Ltd.), a wholly-owned subsidiary of the Company had on 9 June 2008 incorporated a wholly-owned subsidiary known as The Nomad Offices (Thailand) Co. Ltd. ('TNOTCL') in Thailand.

TNOTCL was incorporated under the Civil and Commercial Code of Thailand and is a private company limited by shares. The principal activity of TNOTCL is investment holding. TNOTCL has registered capital of THB 10,000,000 divided into 100,000 ordinary shares of THB100 each, and the paid-up capital is THB 4,000,000 divided into 100,000 ordinary shares of THB40 each.

The incorporation of TNOTCL is not expected to have any material effect on the net assets, earnings and gearing of the Group for the financial year ending 31 December 2008.

None of the Directors, major shareholders of the Company and/or persons connected with them have any direct/indirect interest in the incorporation of TNOTCL.

Saved from the above, there were no changes in the composition of the Group until 30 June 2008.

A12. Changes in contingent liabilities or contingent assets

There were no changes in the contingent liabilities or contingent assets during the current quarter under review.

A13. Commitment

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2008 is as follows:-

<u>Capital Expenditure</u>	RM'000
Approved but not contracted for	<u>7,339</u>

A14. Related Party Transactions

Related Party Transactions had been entered into in the ordinary course of business based on normal commercial terms and on arms length basis.

Notes (BMSB Revised Listing Requirements)

B1. Review of the performance of the Group

For the second quarter ended 30 June 2008, the Group reported a pre-tax loss of RM0.9 million compared to RM4.2 million profit before tax ('PBT') in the previous corresponding quarter. The difference of RM5.1 million mainly was contributed by the provision for impairment loss of marketable securities due to poor market sentiments and additional expenses incurred for re-branding and business expansion.

For the six month period, the Group recorded a pre-tax loss of RM0.2 million as compared to PBT of RM7.5 million in the last corresponding period. The difference was mainly contributed by poor market sentiments and additional expenses incurred for re-branding and business expansion.

The Board of Directors are of the opinion that there had been no material and unusual items, transactions or events that has arisen which would significantly affect the results of the operations of the Group for the period from 30 June 2008 to the date of issue of this announcement.

B2. Material changes in Quarterly Results

The Group reported pre-tax loss of RM0.9 million in the current quarter, as compared to PBT of RM0.6 million last quarter ended 31 March 2008. The difference was mainly contributed by provision of impairment loss of marketable securities during the current quarter under review as mentioned above.

B3. Current year prospects

The Board of Directors expects the remaining financial year to be challenging with the opening of seven new Serviced Office Centers during the year as the business of a Serviced Office Center normally takes some time to mature. However, the group expects the Serviced Residences sector to continue to contribute positively to the group.

B4. Profit forecast / Profit Guarantee

Not applicable in this Quarterly Report.

B5. Taxation

Taxation comprises the following :

	Current quarter 30 June 2008 RM'000	Year to date 30 June 2008 RM'000
Provision for taxation	575	897

Although the Group incurred loss for the current quarter and financial year to date, there is tax charge due to dividend income and other taxable profits.

B6. Unquoted Investments and / or properties

There were no disposal or purchase of unquoted investments or properties for the period ended 30 June 2008.

B7. Quoted Securities

Total purchases and disposals of quoted securities were as follows :-

	Current quarter 30 June 2008 RM'000	Year to date 30 June 2008 RM'000
Total purchase consideration	2,452	5,436
Total sale proceeds	2,629	9,399
Total loss on disposal	(265)	(133)

Total investments in quoted securities as at 30 June 2008 were as follows:-

At cost	15,866
At book value	13,040
At market value	52,011

B8. Status of Corporate Proposal Announced But Not Completed As At 19 August 2008

Not applicable.

B9. Borrowing and Debt Securities

There were no outstanding group borrowings and debt securities as at the end of the quarter ended 30 June 2008.

B10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risks as at the date of the issue of this announcement.

B11. Material litigations

There were no material litigations against the Company and its subsidiary companies.

B12. Dividend

Please refer to explanatory Note **A7**.

B13. Earning Per Share ('EPS')

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year Quarter Ended 30 June 2008 RM'000	Preceding Financial Year Corresponding Quarter Ended 30 June 2007 RM'000	Current Financial Year To date 30 June 2008 RM'000	Preceding Financial Year To date 30 June 2007 RM'000
Basic Earnings per share				
Group's (loss)/profit after tax used as numerator in the calculation of basic EPS	(1,459)	2,792	(1,146)	5,670
Weighted average no of ordinary shares in issue used as denominator in the calculation of basic EPS	223,068	223,068	223,068	223,068
Basic (Loss)/Earnings Per Share (sen)	(0.7)	1.3	(0.5)	2.5
Diluted Earnings Per Shares	N/A	N/A	N/A	N/A

By order of the Board

THE NOMAD GROUP BHD

(FORMERLY KNOWN AS KUALA LUMPUR CITY CORPORATION BERHAD)

WONG KEO ROU (MAICSA 7021435)

Secretary

Kuala Lumpur

22 August 2008