

THE NOMAD GROUP BHD (426627-H)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

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 2008.

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 31 March 2009.

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 31 March 2009.

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 31 March 2009

By Business Segments

Revenue and expenses	Investment holding	#Hospitality Industry	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	539	7,088	(187)	7,440
Results				
Segment results	(34)	(604)	(25)	(663)
Share in results of an associate				561
Loss before taxation				(102)
Taxation				(183)
Loss after taxation				(285)

By Geographical Locations

Revenue and expenses	Malaysia	*Outside Malaysia	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	6,005	1,622	(187)	7,440
Results				
Segment results	(894)	256	(25)	(663)
Share in results of an associate				561
Loss before taxation				(102)
Taxation				(183)
Loss after taxation				(285)

Consist of Serviced Residences and Serviced Offices sectors.

* Operation outside Malaysia refers to that in Singapore, Thailand, Vietnam, Philippines and Indonesia.

Segmental analysis for the preceding corresponding quarter is as follows:

Quarter ended 31 March 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	1,397	2,974	(101)	4,270
Results				
Segment results	115,157	(186)	(114,307)	664
Share in results of an associate				(29)
Profit before taxation				635
Taxation				(322)
Profit after taxation				313

By Geographical Locations

Revenue and expenses	Malaysia	^Outside Malaysia	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total revenue - External	3,841	530	(101)	4,270
Results				
Segment results	115,000	(29)	(114,307)	664
Share in results of an associate				(29)
Profit before taxation				635
Taxation				(322)
Profit after taxation				313

Consist of Serviced Residences and Serviced Offices sectors.

^ Operation outside Malaysia refers to that in Singapore.

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 Proposed acquisition of RM10,000,000 Ordinary Shares of RM1.00 each, representing the entire equity interest in City Centre Hotel Sdn. Bhd. (formerly known as Hydro Hotels Sdn. Bhd.) for a cash consideration of RM47,300,000.

The Nomad Residences Sdn Bhd, a wholly-owned subsidiary of The Nomad Group Bhd("TNGB"), had on 23 April 2009, entered into a conditional sale and purchase agreement of shares ("SPA") with Pulai Springs Berhad to acquire the entire equity interest in City Centre Hotel Sdn Bhd (formerly known as Hydro Hotels Sdn Bhd) comprising 10,000,000 ordinary shares of RM1.00 each for a cash consideration of RM47,300,000, subject to the terms and conditions as stipulated in the SPA.

Please refer explanatory Note **B8** for details of the Proposed Acquisition.

There is no material subsequent event during the current quarter under review other than that stated above.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period under review other than the incorporation of the sub-sub-subsidiary companies as stated below:

- A11.1 Instant Office Holdings Pte. Ltd.(‘IOH’) and Bizcentre Pte. Ltd.(‘BC’) for a total cash consideration of IDR8.0 Billion.(“ I-Office acquisition”)

The Nomad Offices Pte Ltd ("TNOPL"), a wholly-owned sub-sub-subsidiary of TNGB, had on 13 February 2009 completed the proposed acquisition of the entire equity interest in IOH and BC.

IOH and BC each own 50% equity interest in PT Concept Kreatif ("PTCK"), the owner and operator of iOffice, a provider of serviced and instant office solutions, located at Wisma Metropolitan II, 6th Floor, Jl. Jend. Sudirman Kav.29, Jakarta 12920, Indonesia.

The assets and liabilities arising from the acquisition are as follows:

	Fair Value	Acquiree's carrying amount
	RM'000	RM'000
Property, Plant & Equipment	290	290
Trade Receivables	224	224
Deposit and other receivable	688	688
Cash and Bank Balances	755	755
Trade Payables	(109)	(109)
Other Payables	(278)	(278)
Deferred Tax Liabilities	(276)	(276)
Total Net Assets	<u>1,294</u>	<u>1,294</u>
Goodwill	<u>1,340</u>	
	<u>2,634</u>	

The cash outflow on acquisition is as follow:-

Purchase consideration satisfied by cash	2,614
Cost attributable to the acquisition, paid in cash	<u>20</u>
Total cost of acquisition	2,634
Cash and cash equivalent of subsidiary acquired	<u>(755)</u>
Net Cash outflow from the Group	1,879
Less: Deposit and incidental cost paid in previous year	<u>(329)</u>
Net Cash outflow from the Group during the year	<u>1,550</u>

A11.2 PT The Nomad Offices Indonesia

The Company had on 6 March 2009 announced that PT The Nomad Offices Indonesia (The Nomad Indonesia) had received the confirmation of approval of establishment of The Nomad Indonesia from the Ministry of Justice and Human Rights, Republic of Indonesia.

The authorised share capital of The Nomad Indonesia is United States Dollar Five Hundred Thousand (USD500,000) and United States Dollar Three Hundred Thousand (USD300,000) of the authorised share capital has been subscribed.

The establishment of The Nomad Indonesia 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 TNGB for the financial year ending 31 December 2009.

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 The Nomad Indonesia.

Saved from the above, there were no changes in the composition of the Group until 31 March 2009.

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

There was no material commitments not provided for in the financial statement as at 31 March 2009.

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 first quarter ended 31 March 2009, the Group reported a pre-tax loss of RM0.1million compared to RM0.6 million profit before tax ('PBT') in the previous corresponding quarter. The difference of RM0.7 million is mainly due to new business expansion which need some time to mature.

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 31 March 2009 to the date of issue of this announcement.

B2. Material changes in Quarterly Results

The Group reported pre-tax loss of RM0.1 million in the current quarter, as compared to pre-tax loss of RM 3.4 million last quarter ended 31 December 2008. The difference was mainly contributed by provision of impairment loss of marketable securities during the last quarter.

B3. Current year prospects

The Board of Directors expects the remaining financial year to be challenging with the current economic climate. However, the Group will continue to expand its network of Serviced Offices and Serviced Residences business, taking advantage of the property rental rates, albeit cautiously.

B4. Profit forecast / Profit Guarantee

Not applicable in this Quarterly Report.

B5. Taxation

Taxation comprises the following :

	Current quarter 31 March 2009 RM'000	Year to date 31 March 2009 RM'000
Provision for taxation	183	183

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

B6. Unquoted Investments and / or properties

There were no disposal or purchase of unquoted investments or properties for the period ended 31 March 2009.

B7. Quoted Securities

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

	Current quarter 31 March 2009 RM'000	Year to date 31 March 2009 RM'000
Total purchase consideration	-	-
Total sale proceeds	-	-
Total loss on disposal	-	-

Total investments in quoted securities as at 31 March 2009 were as follows:-

	RM'000
At cost	15,906
At book value	11,119
At market value	36,063

B8. Status of Corporate Proposal Announced But Not Completed As At 29 May 2009

- B8.1 Proposed acquisition of 10,000,000 Ordinary Shares of RM1.00 each, representing the entire equity interest in City Centre Hotel Sdn. Bhd. (formerly known as Hydro Hotels Sdn. Bhd.) for a cash consideration of RM47,300,000.

The Nomad Residences Sdn Bhd ("TNR"), a wholly-owned subsidiary of The Nomad Group Bhd ("The Company"), had on 23 April 2009, entered into a conditional sale and purchase agreement of shares ("SPA") with Pulai Springs Berhad ("PSB") to acquire the entire equity interest in City Centre Hotel Sdn Bhd (formerly known as Hydro Hotels Sdn Bhd) ("CCH") comprising 10,000,000 ordinary shares of RM1.00 each for a cash consideration of RM47,300,000 ("Proposed Acquisition"), subject to the terms and conditions as stipulated in the SPA.

TNR is a company incorporated in Malaysia under the Companies Act, 1965 ("Act") and is principally an investment holding company.

CCH is a private limited company incorporated in Malaysia under the Act on 20 February 1997 under the name of Excellia Enterprise Sdn Bhd. It changed its name to Hydro Hotels Sdn Bhd on 2 June 2005 and subsequently changed to City Centre Hotel Sdn Bhd on 12 December 2008.

The authorised and issued and paid-up share capital of CCH is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each.

CCH carries on business as operation and management of hotel and its related business and owns the hotel known as Novotel Kuala Lumpur City Centre ("Novotel"), the land on which Novotel was constructed is held under Grant No. 28301 Lot No. 191, Section 57, Town & District of Kuala Lumpur, State of Wilayah Persekutuan ("Land"). The Land and Novotel are collectively referred to as the "Hotel Property". Presently, CCH has no subsidiary or associated company. It is wholly-owned by PSB.

Please refer to the announcement made on 24 April 2009, 27 April 2009, 29 April 2009 and 4 May 2009 on the full text of the Requisite Announcement setting out, amongst others, details of the Proposed Acquisition and salient terms to the SPA.

B9. Borrowing and Debt Securities

There were no outstanding group borrowings and debt securities as at the end of the quarter ended 31 March 2009.

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 31 March 2009 RM'000	Preceding Financial Year Corresponding 31 March 2008 RM'000	Current Financial To date 31 March 2009 RM'000	Preceding Financial Year To Date 31 March 2008 RM'000
Basic Earning per share				
Group's (loss)/profit after Tax used as numerator in The calculation of basic EPS	(285)	313	(285)	313
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)/Earning Per Share (sen)	(0.1)	0.1	(0.1)	0.1
Diluted Earning Per Share	(0.1)	0.1	(0.1)	0.1

By order of the Board
THE NOMAD GROUP BHD
 JENNY WONG CHEW BOEY (MAICSA 7006120)
 Secretary
 Kuala Lumpur
 29 May 2009