

THE NOMAD GROUP BHD (426627-H)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

Notes (In compliance with FRS 134)

A1. Basis of Preparation

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 2009, except for the adoption of the following:

New FRSs, Amendments to FRSs and Interpretations		Effective date
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (revised)	1 January 2010
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate		1 January 2010
FRS 123	Borrowing Costs (revised)	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

Other than the implication as stated below, the adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group:

(a) *FRS 101 – Presentation of Financial Statements*

FRS 101 requires an entity to present, in the statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

A1. Basis of Preparation (continued)

(b) FRS 8 – Operating segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of operating results, segment assets and segment liabilities are the same as the basis of measurement for external reporting.

(c) FRS 139 - Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at the transitional date on 1 January 2010.

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

RM'000	Previously stated	Effect of FRS 139	As restated
Non-current assets			
Other receivables	-	2,856	2,856
Current assets			
Other receivables	17,136	(3,582)	13,554
Available-For- Sale financial assets	6,348	42,173	48,521
Equity			
Fair value reserve	-	42,173	42,173
Retained profits	5,856	(726)	5,130

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 2010.

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 2010.

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

Analysis of the Group's revenue and results as at 31 March 2010 by operating segments are as follows:

Quarter ended 31 March 2010

	Investment holding	<---Hospitality Industry---> Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000		RM'000
Domestic Operations :					
Revenue					
Total revenue - External	602	10,327	2,131	(195)	12,865
Results					
Segment results	118	604	123	(252)	593
Share in results of an associate					153
Profit before taxation					746
Assets					
Segment assets	82,562	279,233	10,460	-	372,255
Investment in associated companies					21,949
Total assets					394,204
Liabilities					
Segment Liabilities	2,068	101,844	2,113	-	106,025
					Total Overseas Operations
					RM'000
Overseas Operations ^ :					
Revenue					
Total revenue - External	-	-	3,592	-	3,592
Results					
Segment results	-	-	1,339	-	1,339
Share in results of an associate					-
Profit before taxation					1,339
Assets					
Segment assets	-	-	64,799	-	64,799
Investment in associated companies					-
Total assets					64,799
Liabilities					
Segment Liabilities	-	-	4,821	-	4,821
					Group Total
					RM'000
Group :					
Revenue					
Total revenue - External	602	10,327	5,723	(195)	16,457
Results					
Segment results	118	604	1,462	(252)	1,932
Share in results of an associate					153
Profit before taxation					2,085
Assets					
Segment assets	85,562	276,233	75,259	-	437,054
Investment in associated companies					21,949
Total assets					459,003
Liabilities					
Segment Liabilities	2,068	101,844	6,934	-	110,846

^ 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 2009

	Investment holding	<---Hospitality Industry--->		Eliminations	Total Domestic Operations
	RM'000	Serviced Residences RM'000	Serviced Offices RM'000		RM'000
Domestic Operations :					
Revenue					
Total revenue - External	539	4,213	1,253	(187)	5,818
Results					
Segment results	(34)	798	(1,658)	(25)	(919)
Share in results of an associate					561
Profit before taxation					(358)
Assets					
Segment assets	102,013	118,665	11,512	-	232,190
Investment in associated companies					21,222
Total assets					253,412
Liabilities					
Segment Liabilities	1,995	7,701	2,167	-	11,863
					Total Overseas Operations RM'000
Overseas Operations ^ :					
Revenue					
Total revenue - External	-	-	1,622	-	1,622
Results					
Segment results	-	-	256	-	256
Share in results of an associate					-
Profit before taxation					256
Assets					
Segment assets	-	-	70,744	-	70,744
Investment in associated companies					-
Total assets					70,744
Liabilities					
Segment Liabilities	-	-	5,469		5,469
					Group Total RM'000
Group :					
Revenue					
Total revenue - External	539	4,213	2,875	(187)	7,440
Results					
Segment results	(34)	798	(1,402)	(25)	(663)
Share in results of an associate					561
Profit before taxation					(102)
Assets					
Segment assets	102,013	118,665	82,256	-	302,934
Investment in associated companies					21,222
Total assets					324,156
Liabilities					
Segment Liabilities	1,995	7,701	7,636	-	17,332

[^] Operation outside Malaysia refers to that in Singapore, Thailand, Vietnam, Philippines and Indonesia.

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

There were no material events subsequent to the end of the current quarter under review.

A11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the financial quarter under review.

A12. Changes in contingent liabilities or contingent assets

Contingent liabilities of the Group comprise the following:

	Year to date 31 March 2010 RM'000
<u>Secured</u>	
Bank guarantee facilities granted to suppliers for services provided	<u>215</u>

Other than the above, there were no other material contingent liabilities or contingent assets not provided for in the financial statement as at 31 March 2010.

A13. Commitment

There was no material commitments not provided for in the financial statement as at 31 March 2010.

A14. Operating lease arrangements

The future aggregate minimum lease payables under non-cancellable operating leases contracted for as at balance sheet date but no recognised as payables are as follows:

	Year to date 31 March 2010 RM'000
Not later than 1 year	12,146
Later than 1 year and not later than 2 years	6,348
Later than 2 years and not later than 5 years	7,130
Total future minimum lease payables	<u>25,624</u>

A15. 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 three months period ended 31 March 2010, the Group recorded a pre-tax profit of RM 2.1 million compared to a pre-tax loss of RM0.1 million in the previous corresponding period. The difference was mainly contributed by the growth from the Service Offices segment.

The Board of Directors are of the opinion that there has 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 2010 to the date of issue of this announcement.

B2. Material changes in Quarterly Results

The Group achieved a pre-tax profit of RM 2.1 million in the current quarter, as compared to pre-tax profit of RM 1.8 million for the quarter ended 31 December 2009. The improvement was mainly contributed by investment holding segment.

B3. Current year prospects

The Board of Directors expect the current financial year to remain challenging in view of the uncertainties affecting the world economies. Continuous measures are being implemented throughout the Group to contain cost and improve profitability.

B4. Profit forecast

No profit forecast was announced hence there is no comparison between actual results and forecast.

B5. Taxation

Taxation comprises the following:

	Current quarter 31 March 2010 RM'000	Year to date 31 March 2010 RM'000
Provision for taxation	256	256

The effective tax rate is lower than statutory tax rate of 25% mainly due to the availability of unabsorbed tax losses to offset against taxable income.

B6. Unquoted Investments and / or properties

There were no disposal or purchase of unquoted investments or properties for the period ended 31 March 2010.

B7. Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter under review.

Total investments in quoted securities as at 31 March 2010 were as follows:-

	RM'000
At cost	6,348
At book value	<u>47,731</u>
At market value	<u>47,731</u>

B8. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at the date of this announcement.

B9. Group Borrowing and Debt Securities

The Group's borrowings are secured, denominated in Ringgit Malaysia and classified as follows: -

	Current Quarter 31 March 2010	Year to date 31 March 2010
	RM'000	RM'000
Current	3,350	3,350
Non- current	<u>81,300</u>	<u>81,300</u>
	<u>84,650</u>	<u>84,650</u>

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

On 14 December 2009, Pulau Springs Berhad (“PSB”) served a Writ of Summons and statement of claim against The Nomad Residences Sdn. Bhd. (“TNR”), a wholly owned-subsiidiary of The Nomad Group Bhd in respect of the adjusted Net Tangible Assets (“NTA”) for the acquisition of City Centre Hotel Sdn Bhd (“CCH”).

The adjusted NTA as certified by the Independent Auditors (“IA”) appointed under the Sale and Purchase Agreement dated 23 April 2009 (“SPA”) is lower by RM6.7 million compared to the agreed NTA and TNR has claimed this shortfall from the stakeholders and PSB.

PSB is disputing the adjustments to the NTA as certified by the IA and is claiming RM 33,488.50 or the alternative sum of RM 6.7 million, plus interest at the rate of 8% per annum from the date of the Statement of Claim until full payment thereof.

The Company is of the opinion that the shortfall in the NTA as certified by the IA is in accordance with the SPA and on 4 February 2010 filed its defence and counterclaim for the shortfall in NTA of RM6.7 million and interest at the rate or 8% per annum from the date of counterclaim to date of full realization.

This matter is fixed for hearing on 5 July 2010 and 6 July 2010.

The above material litigation is not expected to have any material adverse effect on the financial results of the Company.

B12. Dividend

Please refer to explanatory Note **A7**.

B13. Earning Per Share ('EPS')

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year 31 March 2010 RM'000	Preceding Corresponding Financial Year 31 March 2009 RM'000	Current Financial Year To date 31 March 2010 RM'000	Preceding Financial Year To Date 31 March 2009 RM'000
Basic Earning per share				
Group's profit/ (loss) after Tax used as numerator in The calculation of basic EPS	1,829	(285)	1,829	(285)
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 Earning/ (Loss) Per Share (sen)	0.8	(0.1)	0.8	(0.1)
Diluted Earning Per Share	0.8	(0.1)	0.8	(0.1)

By order of the Board
THE NOMAD GROUP BHD
 JENNY WONG CHEW BOEY (MAICSA 7006120)
 Secretary
 Kuala Lumpur
 14 May 2010