

## THE NOMAD GROUP BHD (426627-H)

### QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events After the Reporting Period	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendment to FRS 128	Investment in Associates	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 138	Intangible Assets	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

Other than the implications 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.

**(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 for the first time adoption, 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 opening balances in the balance sheet as at 1 January 2010 as follows.

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

**(d) FRS 117 - Leases**

The Group has reassessed and reclassified the leasehold land which is in substance finance lease to property, plant and equipment. There were no effects on the consolidated statement of comprehensive income for the current financial year. The reclassification of leasehold land as property, plant and equipment has been accounted for retrospectively and certain comparatives have been restated as shown below:-

<b>RM'000</b>	<b>Previously stated</b>	<b>Effect of FRS 117</b>	<b>As restated</b>
<b>Non-Current Assets</b>			
Property, plant and			
Equipments	310,089	5,557	315,646
Prepaid lease payments	5,557	(5,557)	-
<b>Income Statements</b>			
Depreciation of property,	9,548	216	9,674
and equipment			
Amortisation of prepaid	216	(216)	-
lease payments			

**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 December 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 except for the revision of the economic useful life of certain property, plant and equipment components of the Serviced Residences from 8 years to 50 years. The change in estimate has reduced the depreciation charge by RM0.2 million for the quarter and RM0.9 million for the year, and a corresponding increase in profit before tax for the quarter and for the year respectively.

**A6. Debts and Equity Securities**

There was no transaction in Group debts and equity securities for the period ended 31 December 2010.

**A7. Dividend Paid**

No dividend has been paid during the financial year.

## A8. Segmental Information

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

### Twelve months ended 31 December 2010

	Investment holding	<---Hospitality Industry---> Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Domestic Operations :</b>					
<b>Revenue:</b>					
External	1,310	42,714	9,154		53,178
Intersegment	450	881	-	(1,331)	-
	<b>1,760</b>	<b>43,595</b>	<b>9,154</b>	<b>(1,331)</b>	<b>53,178</b>
<b>Results</b>					
Segment results	(46)	5,457	1,097	(1,077)	5,431
Share in results of an associate					434
Profit before taxation					<b>5,865</b>
<b>Assets</b>					
Segment assets	87,433	273,005	10,985	-	371,423
Investment in associated companies					22,230
Total assets					<b>393,653</b>
<b>Liabilities</b>					
Segment Liabilities	235	98,361	2,238	-	100,834
					<b>Total Overseas Operations</b>
					<b>RM'000</b>
<b>Overseas Operations ^ :</b>					
<b>Revenue</b>					
External	-	-	13,769	-	13,769
Intersegment	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>13,769</b>	<b>-</b>	<b>13,769</b>
<b>Results</b>					
Segment results	-	-	(2,008)	-	(2,008)
Share in results of an associate					-
Profit before taxation					<b>(2,008)</b>
<b>Assets</b>					
Segment assets	-	-	63,480	-	63,480
Investment in associated companies					-
Total assets					<b>63,480</b>
<b>Liabilities</b>					
Segment Liabilities	-	-	5,841	-	5,841
					<b>Group Total</b>
					<b>RM'000</b>
<b>Group :</b>					
<b>Revenue</b>					
External	1,310	42,714	22,923		66,947
Intersegment	450	881	-	(1,331)	-
	<b>1,760</b>	<b>43,595</b>	<b>22,923</b>	<b>(1,331)</b>	<b>66,947</b>
<b>Results</b>					
Segment results	(46)	5,457	(911)	(1,077)	3,423
Share in results of an associate					434
Profit before taxation					<b>3,857</b>
<b>Assets</b>					
Segment assets	87,433	273,005	74,465	-	434,903
Investment in associated companies					22,230
Total assets					<b>457,133</b>
<b>Liabilities</b>					
Segment Liabilities	235	98,361	8,079	-	106,675

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

Segmental analysis for the preceding corresponding quarter is as follows:

**Twelve months ended 31 December 2009**

	Investment holding	<---Hospitality Industry---> Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000		RM'000
<b>Domestic Operations :</b>					
<b>Revenue</b>					
External	2,257	24,628	6,551	-	33,436
Intersegment	-	795	-	(795)	-
	<u>2,257</u>	<u>25,423</u>	<u>6,551</u>	<u>(795)</u>	<u>33,436</u>
<b>Results</b>					
Segment results	2,183	4,706	(2,450)	(196)	4,243
Share in results of an associate					1,135
Loss before taxation					<u>5,378</u>
<b>Assets</b>					
Segment assets	44,056	277,774	11,078	-	332,908
Investment in associated company					21,796
Total assets					<u>354,704</u>
<b>Liabilities</b>					
Segment Liabilities	2,669	103,002	2,620	-	108,291
					<b>Total Overseas Operations RM'000</b>
<b>Overseas Operations ^ :</b>					
<b>Revenue</b>					
External	-	-	10,930	-	10,930
Intersegment	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>10,930</u>	<u>-</u>	<u>10,930</u>
<b>Results</b>					
Segment results	-	-	(2,271)	-	(2,271)
Share in results of an associate					-
Loss before taxation					<u>(2,271)</u>
<b>Assets</b>					
Segment assets	-	-	67,052	-	67,052
Investment in associated company					-
Total assets					<u>67,052</u>
<b>Liabilities</b>					
Segment Liabilities	-	-	5,032	-	5,032
					<b>Group Total RM'000</b>
<b>Group :</b>					
<b>Revenue</b>					
External	2,257	24,628	17,481	-	44,366
Intersegment	-	795	-	(795)	-
	<u>2,257</u>	<u>25,423</u>	<u>17,481</u>	<u>(795)</u>	<u>44,366</u>
<b>Results</b>					
Segment results	2,183	4,706	(4,721)	(196)	1,972
Share in results of an associate					1,135
Profit before taxation					<u>3,107</u>
<b>Assets</b>					
Segment assets	44,056	277,774	78,130	-	399,960
Investment in associated company					21,796
Total assets					<u>421,756</u>
<b>Liabilities</b>					
Segment Liabilities	2,669	103,002	7,652	-	113,323

^ 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:

	<b>Year to date 31 December 2010 RM'000</b>
<b><u>Secured</u></b>	
Bank guarantee facilities granted to suppliers for services provided	<u>610</u>

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

**A13. Commitment**

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

**A14. Operating lease arrangements**

The future aggregate minimum lease payables under non-cancellable operating leases contracted for as at balance sheet date but not recognised as payables are as follows:

	<b>Year to date 31 December 2010 RM'000</b>
Not later than 1 year	9,777
Later than 1 year and not later than 2 years	11,761
Later than 2 years and not later than 5 years	-
<b>Total future minimum lease payables</b>	<b><u>21,538</u></b>

**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**

The Group's pre-tax profit for the 12 months ended 31 December 2010 of RM3.9 million was higher than the previous corresponding pre-tax profit of RM3.1 million, mainly due to the contribution from City Centre Hotel Sdn Bhd which was acquired on 1 October 2009 and the Serviced Offices segment moving towards a more mature stage. However, this was offset by an unrealised foreign exchange loss of RM1.6 million for the 12 months ended 31 December 2010 (2009: unrealised foreign exchange gain was RM1.8 million).

For the three months period ended 31 December 2010, the Group recorded a pre-tax profit of RM1.1 million compared to a pre-tax profit of RM1.7 million in the previous corresponding period. Lower pre-tax profits was mainly due to unrealised foreign exchange loss of RM0.7 million (2009: unrealised foreign exchange gain of RM0.4 million)

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 December 2010 to the date of issue of this announcement.

### **B2. Material changes in Quarterly Results**

The Group achieved a pre-tax profit of RM 1.1 million in the current quarter, as compared to a pre-tax profit of RM 0.4 million for the quarter ended 30 September 2010. The higher pre-tax profit was mainly due to lower unrealised foreign exchange loss of RM0.7 million (Quarter ended 30 September 2010: RM2.1 million which was offset by the reversal of over depreciation of RM0.7 million due to the change in accounting estimates as stated in Note A5).

### **B3. Current year prospects**

Barring any unforeseen circumstances, the Board of Directors expect the Group to perform better in the current year as it expands its core businesses further.

### **B4. Profit forecast**

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

**B5. Taxation**

Taxation comprises the following:

	<b>Current quarter 31 December 2010 RM'000</b>	<b>Year to date 31 December 2010 RM'000</b>
Provision for taxation	759	1,632
Over provision in prior years	-	( 1,427)
	<u>759</u>	<u>205</u>

The effective tax rate is higher than statutory tax rate of 25% mainly due to the absence of group relief for tax losses of certain overseas subsidiaries.

The over provision in prior years of RM1.4 million is in relation to the Investment Tax Allowance granted to a subsidiary during the financial year.

**B6. Unquoted Investments and / or properties**

There were no disposal or purchase of unquoted investments or properties for the period ended 31 December 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 December 2010 were as follows:-

	<b>RM'000</b>
At cost	6,348
At book value	<u>47,367</u>
At market value	<u>47,367</u>

**B8. Status of Corporate Proposal**

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

**B9. Group Borrowings and Debt Securities**

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

	<b>Current Quarter 31 December 2010 RM'000</b>	<b>Year to date 31 December 2010 RM'000</b>
Current	4,850	4,850
Non- current	<u>75,950</u>	<u>75,950</u>
	<u>80,800</u>	<u>80,800</u>



**B10. Off Balance Sheet Financial Instruments**

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

**B11. Material litigations**

There was no new material litigation that arose during the Quarter which would have any material impact on the Group.

**B12. Dividend**

The Board of Directors has recommended a final gross dividend of 2.0 sen per ordinary share less income tax of 25% (2009: Nil) in respect of the financial year ended 31 December 2010 which is subject to the approval of the shareholders of The Nomad Group Bhd at the forthcoming Annual General Meeting.

**B13. Earning Per Share ('EPS')**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year 31 December 2010 RM'000	Preceding Corresponding Financial Year 31 December 2009 RM'000	Current Financial Year To date 31 December 2010 RM'000	Preceding Financial Year To Date 31 December 2009 RM'000
Basic Earning per share				
Group's profit after Tax used as numerator in The calculation of basic EPS	331	1,135	3,652	1,359
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 Earnings Per Share (sen)	0.1	0.5	1.6	0.6
Diluted Earnings Per Share (sen)	0.1	0.5	1.6	0.6

**B14. Realised and unrealised unappropriated profits**

The realised and unrealised unappropriated profits of the Group as at the period end are as follows:

	Group 31.12.2010 RM'000	Group 30.09.2010 RM'000
Total unappropriated profits of the Company and its subsidiaries:		
- Realised profits	16,523	13,142
- Unrealised losses	(13,584)	(12,939)
 Total share of unappropriated profits from associated company:		
- Realised profits	5,906	5,716
- Unrealised loss	(63)	(63)
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	8,782	5,856
	=====	=====

By order of the Board

**THE NOMAD GROUP BHD**

JENNY WONG CHEW BOEY (MAICSA 7006120)

Secretary

Kuala Lumpur

25 February 2011