

THE NOMAD GROUP BHD (426627-H)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

PART A – EXPLANATORY NOTES PURSUANT TO 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 2010, except for the adoption of the following amendments to FRSs relevant to the Group:

<u>FRSs, Amendments to FRSs and Interpretations</u>	<u>Effective date</u>	
FRS 3	Business Combination (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendments to FRS 7	Improving Disclosures about Financial Instruments	1 January 2011
<u>Consequential amendments</u>		
Amendments to FRS 138	Intangible Assets	1 July 2010
<u>Consequential amendments</u>		
Amendments to FRS 3	Business Combination (revised)	1 January 2011
Amendments to FRS 7	Financial Instruments: Disclosures	1 January 2011
Amendments to FRS 101	Presentation of Financial Statements	1 January 2011
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2011
Amendments to FRS 128	Investments in Associates	1 January 2011
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2011
Amendments to FRS 134	Interim Financial Reporting	1 January 2011
Amendments to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2011

The adoption of the above amendments does not have any material impact on the financial statements of the Group.

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 September 2011.

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 September 2011

A7. Dividend Paid

The following dividend was paid during the current financial year:

	<u>30.09.2011</u>
Final dividend for financial year	31 December 2010
Approved and declared on	25 May 2011
Date paid	10 June 2011
Number of ordinary shares on which dividends were paid ('000)	223,068
Amount per share	2 sen
	less 25 % taxation
Net dividend paid (RM'000)	3,346

A8. Segmental Information

Analysis of the Group's revenue and results as at 30 September 2011 by operating segments are as follows:

Nine months ended 30 September 2011

	Investment holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic Operations :					
Revenue:					
External	1,602	34,850	8,138	(1,683)	42,907
Results					
Segment results	456	4,104	1,505	-	6,065
Share in results of an associate					(174)
Profit before taxation					5,891
Assets					
Segment assets	85,103	271,416	12,948	-	369,467
Investment in associated company					25,331
Total assets					394,798
Liabilities					
Segment Liabilities	483	93,783	2,936	-	97,202
					Total Overseas Operations
					RM'000
Overseas Operations ^ :					
Revenue					
External	-	-	12,062	-	12,062
Results					
Segment results	-	-	122	-	122
Share in results of an associate					-
Profit before taxation					122
Assets					
Segment assets	-	-	56,947	-	56,947
Investment in associated company					-
Total assets					56,947
Liabilities					
Segment Liabilities	-	-	6,745	-	6,745
					Group Total
					RM'000
Group :					
Revenue					
External	1,602	34,850	20,200	(1,683)	54,969
Results					
Segment results	456	4,104	1,627	-	6,187
Share in results of an associate					(174)
Profit before taxation					6,013
Assets					
Segment assets	85,103	271,416	69,895	-	426,414
Investment in associated company					25,331
Total assets					451,745
Liabilities					
Segment Liabilities	483	93,783	9,681	-	103,947

^ Operations outside Malaysia relates to that in Singapore, Thailand, Vietnam, Philippines and Indonesia.

Segmental analysis for the preceding corresponding quarter is as follows:

Nine months ended 30 September 2010

	Investment holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations RM'000
Domestic Operations :	RM'000	RM'000	RM'000		RM'000
Revenue					
Total revenue - External	1,258	32,388	6,691	(656)	39,681
Results					
Segment results	(186)	3,607	637	(475)	3,583
Share in results of an associate					245
Profit before taxation					3,828
Assets					
Segment assets	91,073	272,433	10,607	-	374,113
Investment in associated company					22,041
Total assets					396,154
Liabilities					
Segment Liabilities	1,724	98,923	2,136	-	102,783
					Total Overseas Operations RM'000
Overseas Operations ^ :					
Revenue					
Total revenue - External	-	-	10,094	-	10,094
Results					
Segment results	-	-	(1,061)	-	(1,061)
Share in results of an associate					-
Profit before taxation					(1,061)
Assets					
Segment assets	-	-	63,034	-	63,034
Investment in associated company					-
Total assets					63,034
Liabilities					
Segment Liabilities	-	-	5,810	-	5,810
					Group Total RM'000
Group :					
Revenue					
Total revenue - External	1,258	32,388	16,785	(656)	49,775
Results					
Segment results	(186)	3,607	(424)	(475)	2,522
Share in results of an associate					245
Profit before taxation					2,767
Assets					
Segment assets	91,073	272,433	73,641	-	437,147
Investment in associated company					22,041
Total assets					459,188
Liabilities					
Segment Liabilities	1,724	98,923	7,946	-	108,593

[^] Operations outside Malaysia relates 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 30 September 2011 RM'000
<u>Secured</u>	
Bank guarantee facilities granted to suppliers for services provided	<u>560</u>

Other than the above, there were no material contingent liabilities or contingent assets not provided for in the financial statement as at 30 September 2011.

A13. Commitment

There were no material commitments not provided for in the financial statement as at 30 September 2011.

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:

	Year to date 30 September 2011 RM'000
Within one year	11,421
In the second to fifth year inclusive	13,115
Total future minimum lease payables	<u>24,536</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.

**PART B – EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B1. Review of the performance of the Group

The Group's pre-tax profit for the 9 months ended 30 September 2011 of RM6.0 million was higher than the previous corresponding pre-tax profit of RM2.8 million, mainly due to better performances from all business segments and lower unrealised foreign exchange loss of RM0.6 million for the 9 months ended 30 September 2011 (2010: unrealised foreign exchange loss was RM0.9 million).

For the three months period ended 30 September 2011, the Group recorded a pre-tax profit of RM3.9 million compared with RM0.4 million posted in the previous corresponding period. The improvement was mainly due to the better performance from all business segments and an unrealised foreign exchange gain of RM 0.4 million compared to an unrealised foreign exchange loss of RM2.0 million in the previous corresponding period.

The Board of Directors is of the opinion that there has been no material and unusual items, transactions or events that have arisen which would significantly affect the results of the operations of the Group for the period from 30 September 2011 to the date of this announcement.

B2. Material changes in Quarterly Results

The Group achieved a pre-tax profit of RM3.9 million in the current quarter, as compared with RM1.6 million posted for the quarter ended 30 June 2011. The higher pre-tax profit in the current quarter was mainly due to the better performance from all business segments and an unrealised foreign exchange gain of RM0.4 million against an unrealised foreign exchange loss of RM0.6 million in the last quarter.

B3. Current year prospects

Barring any unforeseen circumstances, the Board of Directors expects the Group to maintain its financial performance for the rest of the financial year.

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 30 September 2011 RM'000	Year to date 30 September 2011 RM'000
Provision for taxation	423	1,198

The year to date effective tax rate is lower than the statutory tax rate of 25% mainly due to utilization of tax losses of certain subsidiaries.

B6. Unquoted Investments and / or properties

There were no disposal or purchase of unquoted investments or properties for the period ended 30 September 2011.

B7. Quoted Securities

There were no purchases or disposals of quoted securities for the period ended 30 September 2011.

Total investments in quoted securities as at 30 September 2011 were as follows:-

	RM'000
At cost	6,348
At carrying value/market value	<u>37,165</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: -

	Current Quarter 30 September 2011 RM'000	Year to date 30 September 2011 RM'000
Current	4,850	4,850
Non- current	<u>71,600</u>	<u>71,600</u>
	<u>76,450</u>	<u>76,450</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 are no material litigation which would have a material impact on the Group.

B12. Dividend Proposed or Declared

The Board of Directors does not recommend any dividend for the quarter ended 30 September 2011.

B13. Earning Per Share ('EPS')

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year 30 September 2011 RM'000	Preceding Corresponding Financial Year 30 September 2010 RM'000	Current Financial Year To Date 30 September 2011 RM'000	Preceding Financial Year To Date 30 September 2010 RM'000
Basic Earning per share				
Group's profit after tax used as numerator in the calculation of basic EPS	3,528	29	4,815	3,321
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)	1.58	0.01	2.16	1.49
Diluted Earnings Per Share (sen)	1.58	0.01	2.16	1.49

B14. Realised and unrealised unappropriated profits

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

	30.9.2011 RM'000	31.12.2010 RM'000
Total unappropriated profits of the Company and its subsidiaries:		
- Realised profits	13,856	16,524
- Unrealised losses	(12,549)	(13,585)
Total share of unappropriated profits from associated company:		
- Realised profits	9,008	5,906
- Unrealised loss	(64)	(63)
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	10,251	8,782
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B15. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 25 November 2011.

By order of the Board
THE NOMAD GROUP BHD
 JENNY WONG CHEW BOEY (MAICSA 7006120)
 Secretary
 Kuala Lumpur
 25 November 2011