

## THE NOMAD GROUP BHD (426627-H)

### QUARTERLY REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 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.

##### FRS 118 - Revenue

The Group has reassessed and reclassified the support service income generated from the serviced offices segment previously classified as other operating income to operating revenue to better reflect the operating nature of this segment of the Group. There is no impact to the net results for the current and previous financial year as a result of this reclassification. The reclassification of the support service income to operating revenue has been accounted for retrospectively and certain comparatives have been restated as shown below:-

Individual Quarter for year ended 31 December 2011:-

RM'000	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date
<b>Previously stated</b>					
Revenue	16,757	18,420	19,792	18,576	73,545
Other operating income	1,439	1,733	1,898	2,327	7,397
<b>Reclassification</b>	700	831	954	889	3,374
<b>Restated</b>					
Revenue	17,457	19,251	20,746	19,465	76,919
Other operating income	739	902	944	1,438	4,023

Individual Quarter for year ended 31 December 2010:-

RM'000	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year-to-date
<b>Previously stated</b>					
Revenue	16,457	16,035	17,283	17,172	66,947
Other operating income	1,348	1,512	1,400	1,920	6,180
<b>Reclassification</b>	688	783	732	836	3,039
<b>Restated</b>					
Revenue	17,145	16,818	18,015	18,008	69,986
Other operating income	660	729	668	1,084	3,141

**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 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 31 December 2011.

**A7. Dividend Paid**

The following dividend was paid during the current financial year:

	<u>31.12.2011</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 31 December 2011 by operating segments are as follows:

### Twelve months ended 31 December 2011

	Investment holding	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	1,671	44,428	13,210	-	59,309
Intersegment sales	2,300	2,350	-	(4,650)	-
	<u>3,971</u>	<u>46,778</u>	<u>13,210</u>	<u>(4,650)</u>	<u>59,309</u>
<b>Results</b>					
Segment results	547	5,850	2,249	-	8,646
Share in results of an associate					(825)
Profit before taxation					<u>7,821</u>
<b>Assets</b>					
Segment assets	90,986	268,925	13,078	-	372,989
Investment in associated company					25,436
Total assets					<u>398,425</u>
<b>Liabilities</b>					
Segment Liabilities	226	92,039	2,614	-	94,879
<b>Overseas Operations ^ :</b>					
<b>Revenue</b>					
External	-	-	17,610	-	17,610
<b>Results</b>					
Segment results	-	-	(147)	-	(147)
Share in results of an associate					-
Loss before taxation					<u>(147)</u>
<b>Assets</b>					
Segment assets	-	-	56,053	-	56,053
Investment in associated company					-
Total assets					<u>56,053</u>
<b>Liabilities</b>					
Segment Liabilities	-	-	7,885	-	7,885
<b>Group Total</b>					
<b>RM'000</b>					
<b>Revenue</b>					
External	1,671	44,428	30,820	-	76,919
Intersegment sales	2,300	2,350	-	(4,650)	-
	<u>3,971</u>	<u>46,778</u>	<u>30,820</u>	<u>(4,650)</u>	<u>76,919</u>
<b>Results</b>					
Segment results	547	5,850	2,102	-	8,499
Share in results of an associate					(825)
Profit before taxation					<u>7,674</u>
<b>Assets</b>					
Segment assets	90,986	268,925	69,131	-	429,042
Investment in associated company					25,436
Total assets					<u>454,478</u>
<b>Liabilities</b>					
Segment Liabilities	226	92,039	10,499	-	102,764

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

Segmental analysis for the preceding corresponding quarter is as follows:

**Twelve months ended 31 December 2010**

	Investment holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations RM'000
<b>Domestic Operations :</b>	RM'000	RM'000	RM'000		RM'000
<b>Revenue</b>					
External	1,310	42,714	10,994	-	55,018
Intersegment sales	450	881	-	(1,331)	-
	<u>1,760</u>	<u>43,595</u>	<u>10,994</u>	<u>(1,331)</u>	<u>55,018</u>
<b>Results</b>					
Segment results	(496)	4,736	1,097	-	5,337
Share in results of an associate					434
Profit before taxation					<u>5,771</u>
<b>Assets</b>					
Segment assets	87,433	273,005	10,985	-	371,423
Investment in associated company					22,230
Total assets					<u>393,653</u>
<b>Liabilities</b>					
Segment Liabilities	235	98,361	2,238	-	100,834
					<b>Total Overseas Operations RM'000</b>
<b>Overseas Operations ^ :</b>					
<b>Revenue</b>					
External	-	-	14,968	-	14,968
<b>Results</b>					
Segment results	-	-	(1,914)	-	(1,914)
Share in results of an associate					-
Loss before taxation					<u>(1,914)</u>
<b>Assets</b>					
Segment assets	-	-	63,480	-	63,480
Investment in associated company					-
Total assets					<u>63,480</u>
<b>Liabilities</b>					
Segment Liabilities	-	-	5,841	-	5,841
					<b>Group Total RM'000</b>
<b>Group :</b>					
<b>Revenue</b>					
External	1,310	42,714	25,962	-	69,986
Intersegment sales	450	881	-	(1,331)	-
	<u>1,760</u>	<u>43,595</u>	<u>25,962</u>	<u>(1,331)</u>	<u>69,986</u>
<b>Results</b>					
Segment results	(496)	4,736	(817)	-	3,423
Share in results of an associate					434
Profit before taxation					<u>3,857</u>
<b>Assets</b>					
Segment assets	87,433	273,005	74,465	-	434,903
Investment in associated company					22,230
Total assets					<u>457,133</u>
<b>Liabilities</b>					
Segment Liabilities	235	98,361	8,079	-	106,675

^ 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**

Proposed acquisition of Vientiane City Inn Hotel ("Hotel") and the land ("Land") on which the hotel is built (collectively referred to as the "Property") in Vientiane, Lao People's Democratic Republic ("Lao PDR")

Nomad International Sdn Bhd ("NISB"), a wholly-owned subsidiary of The Nomad Group Bhd ("TNGB"), had on 23 February 2012, entered into a conditional sale and purchase agreement ("SPA") for the acquisition of the Property for a total consideration of USD3,225,000 (equivalent to approximately RM9,863,663).

Please refer to explanatory Note **B7** for details of the Proposed Acquisition.

There were no material events subsequent to the end of the current quarter under review other than that stated above.

**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 2011 RM'000</b>
<b><u>Secured</u></b>	
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 31 December 2011.

**A13. Commitment**

There were no material commitments not provided for in the financial statement as at 31 December 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:

	<b>Year to date 31 December 2011 RM'000</b>
Within one year	11,990
In the second to fifth year inclusive	13,238
<b>Total future minimum lease payables</b>	<b>25,228</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.

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

**B1. Review of the performance of the Group**

**a) Current Year-to-date vs. Previous Year-to-date**

The Group's pre-tax profit for the year ended 31 December 2011 of RM7.7 million was higher than the previous corresponding pre-tax profit of RM3.9 million, mainly due to better performances from all business segments and lower unrealised foreign exchange loss. This improvement was partially offset by share of associated company current year loss of RM0.8 million versus a profit of RM0.4 million in 2010.

Performance of the respective operating business segments for the year ended 31 December 2011 as compared to the previous year is analysed as follows:-

- 1) Investment holding - 2011 pre-tax profits was RM0.5 million as compared to the pre-tax loss of RM0.5 million in 2010. The improvement was mainly due to higher dividends received from investments and higher income from held-for-trading financial assets.
- 2) Serviced residences – 2011 pre-tax profit increased to RM5.8 million as compared to pre-tax profit of RM4.7 million in 2010, mainly due to overall higher occupancies from the serviced residences and hotels.
- 3) Serviced offices – 2011 pre-tax profit was RM2.1 million as compared to the pre-tax loss of RM0.8 million in 2010, mainly due to higher revenue and lower unrealised foreign exchange loss.

**b) Current Quarter vs. Previous Year Corresponding Quarter**

For the three months ended 31 December 2011, the Group recorded a pre-tax profit of RM1.7 million compared with RM1.1 million in the previous corresponding period. The improvement was mainly due to the better performance from both serviced offices and serviced residences and lower unrealised foreign exchange loss. This improvement was partially offset by share of associated company's loss of RM0.7 million compared to a profit of RM0.2 million in 2010.

Performance of the respective operating business segments for the forth Quarter ended 31 December 2011 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Investment holding – 2011 pre-tax profit was RM0.1 million as compared to pre-tax loss RM 0.2 million in 2010. The improvement was mainly due to higher income from held-for-trading financial assets.
- 2) Serviced residences – 2011 pre-tax profit was RM1.7 million as compared the pre-tax profit RM1.5 million in 2010. The improvement was due to higher occupancies achieved.
- 3) Serviced offices – 2011 pre-tax profit was RM0.5 million as compared to the pre-tax loss RM0.4 million in 2010. The improvement was due to higher revenue and lower unrealised foreign exchange loss.

The Board of Directors is of the opinion that there have been no transactions or events that have arisen which would significantly affect the results of the operations of the Group for the period from 31 December 2011 to the date of this announcement.



## B2. Material changes in Quarterly Results

The Group achieved a pre-tax profit of RM1.7 million in the current quarter, as compared with RM3.9 million posted for the quarter ended 30 September 2011. The lower pre-tax profit in the current quarter was mainly due to lower revenue from serviced residences by RM0.5 million, share of loss from the associated company of RM0.7 million in the current quarter and unrealised foreign exchange loss of RM0.06 million (Quarter 3 2011: unrealised foreign exchange gain of RM0.4 million).

## B3. Current year prospects

Given the uncertainty surrounding the global economy, the Board anticipates that the business environment in which the Group operates will be challenging for the financial year 2012.

## B4. Profit forecast

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

## B5. Operating Profit

	Current Quarter		Period ended	
	31 December		31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Included in operating profit are:				
Interest income	422	315	1,058	624
Other income including investment income	1,135	820	3,258	2,703
Interest expense	(1,196)	(1,230)	(4,815)	(4,761)
Depreciation	(3,007)	(3,199)	(12,199)	(12,274)
Provision for and write off of receivables	(83)	(58)	(62)	(110)
Foreign exchange loss	(57)	(729)	(637)	(1,614)

## B6. Taxation

Taxation comprises the following:

	Current quarter	Year to date
	31 December 2011	31 December 2011
	RM'000	RM'000
Income tax		
- Current	534	1,732
Deferred tax		
- Relating to originating and reversal of temporary differences	(193)	(193)
	<u>341</u>	<u>1,539</u>

The year to date effective income tax rate is lower than the statutory tax rate of 25% mainly due to the utilisation of deferred tax asset previously not recognised.

## B7. Status of Corporate Proposal

Proposed acquisition of Vientiane City Inn Hotel (“Hotel”) and the land (“Land”) on which the hotel is built (collectively referred to as the “Property”) in Vientiane, Lao People’s Democratic Republic (“Lao PDR”)

Nomad International Sdn Bhd (“NISB”), a wholly-owned subsidiary of The Nomad Group Bhd (“TNGB”), had on 23 February 2012, entered into a conditional sale and purchase agreement (“SPA”) with Mr Manu Wadhvani, a Lao national, (the “Vendor”) for the acquisition of:-

- (i) the business and the assets of the Hotel (“Business”) for a cash consideration of USD 1,000,000; and
- (ii) the Land located at 14, Pangkham, Ban Sisaket, Chanthabouley District in Vientiane, Lao PDR for a cash consideration of USD2,225,000.

The total purchase price for the Property is USD3,225,000 (equivalent to approximately RM9,863,663) (“Purchase Price”) which will be funded through internal funds.

The SPA is subject to the satisfactory completion of a due diligence on the Property and approvals from relevant Governmental authorities of Lao PDR where necessary.

NISB was incorporated in Malaysia on 18 December 1991 under the Companies Act, 1965. The authorised capital is RM25,000,000 comprising of 25,000,000 ordinary shares of RM1.00 each, of which RM20,000,000 comprising 20,000,000 ordinary shares of RM1.00 each have been issued and fully paid.

The principal activity of NISB is investment holding.

The Property consists of a freehold land together with a 5-storey hotel building erected thereon. The Property is known as Vientiane City Inn Hotel which is a three star rated hotel consisting of 40 bedrooms and a restaurant, with a total built-up area of approximately 2,440 square meters located at Rue Pangkham, Vientiane, LAO PDR.

Please refer to the announcement made on 24 February 2012 on the full text of the Announcement setting out details of the Proposed Acquisition and the salient terms to the SPA.

## B8. Group Borrowings and Debt Securities

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

	<b>Current Quarter 31 December 2011 RM’000</b>	<b>Year to date 31 December 2011 RM’000</b>
Current	5,400	5,400
Non- current	69,450	69,450
	<u>74,850</u>	<u>74,850</u>

## B9. Material litigations

There are no material litigation which would have a material impact on the Group.

**B10. Dividend Proposed or Declared**

The Board of Directors has recommended a final gross dividend of 2.0 sen per ordinary share less income tax of 25% (2010: gross dividend of 2.0 sen per ordinary share less income tax of 25%) in respect of the financial year ended 31 December 2011 which is subject to the approval of the shareholders of The Nomad Group Bhd at the forthcoming Annual General Meeting.

**B11. Earnings Per Share ('EPS')**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year 31 December 2011 RM'000	Preceding Corresponding Financial Year 31 December 2010 RM'000	Current Financial Year To Date 31 December 2011 RM'000	Preceding Financial Year To Date 31 December 2010 RM'000
Basic Earnings per share				
Group's profit after tax used as numerator in the calculation of basic EPS	1,320	331	6,135	3,652
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)	0.59	0.15	2.75	1.64
Diluted Earnings Per Share (sen)	0.59	0.15	2.75	1.64

**B12. Realised and unrealised unappropriated profits**

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

	31.12.2011 RM'000	31.12.2010 RM'000
Total unappropriated profits of the Company and its subsidiaries:		
- Realised profits	14,937	16,524
- Unrealised losses	(12,415)	(13,585)
Total share of unappropriated profits from associated company:		
- Realised profits	9,113	5,906
- Unrealised loss	(64)	(63)
	-----	-----
	11,571	8,782
	=====	=====

**B13. 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 24 February 2012.

By order of the Board

**THE NOMAD GROUP BHD**

JENNY WONG CHEW BOEY (MAICSA 7006120)

Secretary

Kuala Lumpur

24 February 2012