

THE NOMAD GROUP BHD (426627-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	ENDED	QUARTER	PERIOD	PERIOD
	30 JUNE 2013	30 JUNE 2012	30 JUNE 2013	30 JUNE 2012
	RM'000	RM'000	RM'000	RM'000
Operating revenue	18,733	19,699	35,984	37,950
Other operating income	1,970	957	10,592	1,887
Depreciation	(2,897)	(3,099)	(5,780)	(6,213)
Other operating expenses	(15,586)	(15,071)	(30,151)	(29,142)
Profit from operations	2,220	2,486	10,645	4,482
Finance costs	(1,127)	(1,118)	(2,211)	(2,286)
Share in results of associated company	9	54	(442)	172
Profit before taxation	1,102	1,422	7,992	2,368
Taxation	(257)	(361)	(2,208)	(622)
Profit for the period	845	1,061	5,784	1,746
Basic earnings per ordinary share (sen)	0.38	0.48	2.59	0.78

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

THE NOMAD GROUP BHD (426627-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED	PRECEDING YEAR CORRESPONDING QUARTER ENDED	CURRENT FINANCIAL YEAR TO DATE	PRECEDING FINANCIAL YEAR TO DATE
	30 JUNE 2013	30 JUNE 2012	30 JUNE 2013	30 JUNE 2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	845	1,061	5,784	1,746
Foreign currency translation differences for foreign operations	(475)	573	(634)	(712)
Fair value of available-for-sale financial assets	3,705	(7,287)	8,138	(3,158)
Share of other comprehensive income of associated company	2,938	(1,017)	4,318	(954)
Total comprehensive income/(loss) for the period	7,013	(6,670)	17,606	(3,078)

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

THE NOMAD GROUP BHD (426627-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	As at 30 JUNE 2013 RM'000	Audited as at 31 DECEMBER 2012 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	293,029	289,721
Investment in an associate	29,195	25,319
Other investments	91	91
Other receivables	4,970	5,013
Goodwill on consolidation	11,994	11,994
TOTAL NON-CURRENT ASSETS	339,279	332,138
CURRENT ASSETS		
Inventories	234	213
Trade receivables	2,830	2,866
Other receivables	2,620	2,458
Tax recoverable	194	1,542
Available-for-sale financial assets	45,910	37,773
Financial assets at fair value through profit or loss	45,084	19,590
Deposits, cash and bank balances	28,629	35,362
Non-current asset classified as held for sale	-	24,111
TOTAL CURRENT ASSETS	125,501	123,915
TOTAL ASSETS	464,780	456,053
CAPITAL AND RESERVES		
Share capital	223,068	223,068
Reserves	136,501	122,241
TOTAL EQUITY	359,569	345,309
NON-CURRENT LIABILITIES		
Bank borrowings	70,277	70,019
Deferred taxation	12,682	12,682
TOTAL NON-CURRENT LIABILITIES	82,959	82,701
CURRENT LIABILITIES		
Trade payables	1,692	2,136
Other payables	13,960	19,082
Bank borrowings	6,600	6,825
TOTAL CURRENT LIABILITIES	22,252	28,043
TOTAL EQUITY AND LIABILITIES	464,780	456,053

Net assets per share attributable to ordinary equity holders of the parent (RM)	1.61	1.55
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The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

THE NOMAD GROUP BHD (426627-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2013

	Share capital	<----- Non-distributable ----->			<--Distributable-->	Total
		Share premium	Foreign currency translation reserve	Fair value reserve	Unappropriated profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>PERIOD ENDED 30 JUNE 2012</u>						
At 1 January 2012	223,068	79,437	(732)	38,370	11,571	351,714
Total comprehensive loss for the period	-	-	(712)	(4,112)	1,746	(3,078)
Dividend paid (Note A7)	-	-	-	-	(3,346)	(3,346)
At 30 JUNE 2012	<u>223,068</u>	<u>79,437</u>	<u>(1,444)</u>	<u>34,258</u>	<u>9,971</u>	<u>345,290</u>
<u>PERIOD ENDED 30 JUNE 2013</u>						
At 1 January 2013	223,068	79,437	(3,564)	35,866	10,502	345,309
Total comprehensive income for the period	-	-	(634)	12,456	5,784	17,606
Dividend paid (Note A7)	-	-	-	-	(3,346)	(3,346)
At 30 June 2013	<u>223,068</u>	<u>79,437</u>	<u>(4,198)</u>	<u>48,322</u>	<u>12,940</u>	<u>359,569</u>

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

THE NOMAD GROUP BHD (426627-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2013

	6 months ended 30 JUNE 2013	6 months ended 30 JUNE 2012
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		
Profit before taxation	7,992	2,368
Adjustments for:-		
Reversal of allowance for doubtful debts (net of write back)	-	(3)
Bad debts recovered	(13)	(1)
Depreciation of property, plant and equipment	5,780	6,213
Interest income	(239)	(464)
Dividend income	(820)	(789)
Interest expense	2,211	2,286
Share in results of an associate	442	(172)
Fair value gain on financial assets at FVTPL	(564)	(480)
Property, plant and equipment written off	3	565
Loss on disposal of property, plant and equipment	83	43
Gain on disposal of non-current asset held for sale	(7,547)	-
Operating profit before working capital changes	7,328	9,566
Changes in:-		
Inventories	(21)	(3)
Receivables	(54)	(5,037)
Payables	(6,004)	1,098
Cash generated from operations	1,249	5,624
Income taxes paid	(2,250)	(650)
Income taxes recovered	1,830	9
Interest received	222	432
Net cash generated from operating activities	1,051	5,415
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	820	789
Proceeds from disposal of available-for-sale investment	6,240	16,620
Proceeds from disposal of property, plant and equipment	62	14
Proceeds from disposal of non-current asset held for sale	31,735	-
Purchase of property, plant and equipment	(9,121)	(3,612)
Purchase of available-for-sale investment	(31,170)	(13,715)
Net cash (used in) / generated from investing activities	(1,434)	96
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	12,519	-
Repayment of bank borrowings	(12,486)	(3,200)
Interest paid	(2,211)	(2,286)
Dividend paid	(3,346)	(3,346)
Net cash used in financing activities	(5,524)	(8,832)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(5,907)	(3,321)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	35,362	36,266
EFFECT OF EXCHANGE RATE CHANGES	(826)	28
CASH AND CASH EQUIVALENTS AT END OF PERIOD	28,629	32,973
Cash and cash equivalents comprise:		
Cash in hand and at bank	6,365	8,265
Short term deposits with licensed banks	22,264	24,708
	28,629	32,973

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012.

THE NOMAD GROUP BHD (426627-H)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The Unaudited Quarterly Report has been prepared in accordance with the Malaysian Financial Reporting Standards 134 ('MFRS' 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 2012.

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 June 2013.

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 period 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 June 2013.

A7. Dividend Paid

The following dividend was paid during the current and previous year corresponding financial quarter:-

	<u>30.06.2013</u>	<u>30.06.2012</u>
Final dividend for financial year	31 December 2012	31 December 2011
Approved and declared on	09 May 2013	10 May 2012
Date paid	20 May 2013	21 May 2012
Number of ordinary share on which dividends were paid ('000)	223,068	223,068
Amount per share	2.0 sen	2.0 sen
	less tax of 25%	less tax of 25%
Net dividend paid (RM'000)	3,346	3,346

A8. Segmental Information

Analysis of the Group's revenue and results for the financial period ended 30 June 2013 by operating segments are as follows:

Six months ended 30 June 2013

	Investment holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations RM'000
<u>Domestic Operations :</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External	934	22,064	4,260	-	27,258
Intersegment sales	-	600	-	(600)	-
	<u>934</u>	<u>22,664</u>	<u>4,260</u>	<u>(600)</u>	<u>27,258</u>
Results					
Segment results	1,764	2,140	(2,089)	-	1,815
Share in results of an associate					(442)
Profit before taxation					<u>1,373</u>
Assets					
Segment assets	107,468	295,409	7,467	-	410,344
Investment in an associate					29,195
Total assets					<u>439,539</u>
Liabilities					
Segment Liabilities	304	95,460	2,331	-	98,095
					Total Overseas Operations RM'000
<u>Overseas Operations ^ :</u>					
Revenue					
External	-	-	8,726	-	8,726
Results					
Segment results	-	-	6,619	-	6,619
Share in results of an associate					-
Profit before taxation					<u>6,619</u>
Assets					
Segment assets	-	-	25,241	-	25,241
Investment in an associate					-
Total assets					<u>25,241</u>
Liabilities					
Segment Liabilities	-	-	7,116	-	7,116
					Group Total RM'000
<u>Group :</u>					
Revenue					
External	934	22,064	12,986	-	35,984
Intersegment sales	-	600	-	(600)	-
	<u>934</u>	<u>22,664</u>	<u>12,986</u>	<u>(600)</u>	<u>35,984</u>
Results					
Segment results	1,764	2,140	4,530	-	8,434
Share in results of an associate					(442)
Profit before taxation					<u>7,992</u>
Assets					
Segment assets	107,468	295,409	32,708	-	435,585
Investment in an associate					29,195
Total assets					<u>464,780</u>
Liabilities					
Segment Liabilities	304	95,460	9,447	-	105,211

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

A8. Segmental Information (continued)

Segmental analysis for the preceding corresponding financial period ended 30 June 2012 are as follows:

Six months ended 30 June 2012

	Investment holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic Operations :					
Revenue					
External	948	21,345	6,273	-	28,566
Intersegment sales	-	851	-	(851)	-
	948	22,196	6,273	(851)	28,566
Results					
Segment results	378	1,810	(830)	-	1,358
Share in results of an associate					172
Profit before taxation					1,530
Assets					
Segment assets	85,140	267,275	11,147	-	363,562
Investment in an associate					24,655
Total assets					388,217
Liabilities					
Segment Liabilities	244	88,877	3,297	-	92,418
					Total Overseas Operations
					RM'000
Overseas Operations ^ :					
Revenue					
External	-	-	9,384	-	9,384
Results					
Segment results	-	-	838	-	838
Share in results of an associate					-
Profit before taxation					838
Assets					
Segment assets	-	-	57,616	-	57,616
Investment in an associate					-
Total assets					57,616
Liabilities					
Segment Liabilities	-	-	8,125	-	8,125
					Group Total
					RM'000
Group :					
Revenue					
External	948	21,345	15,657	-	37,950
Intersegment sales	-	851	-	(851)	-
	948	22,196	15,657	(851)	37,950
Results					
Segment results	378	1,810	8	-	2,196
Share in results of an associate					172
Profit before taxation					2,368
Assets					
Segment assets	85,140	267,275	68,763	-	421,178
Investment in an associate					24,655
Total assets					445,833
Liabilities					
Segment Liabilities	244	88,877	11,422	-	100,543

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

A9. Revaluation of Property, Plant and Equipment

There was no revaluation on any of the Group's property, plant and equipment during the quarter under review.

A10. Subsequent Event

A wholly-owned subsidiary, The Nomad Offices Asia Sdn Bhd ("TNOASB") was incorporated on 2 July 2013.

The authorised share capital of TNOASB is RM400,000 divided into 400,000 ordinary shares of RM1.00 each of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

A11. Changes in the Composition of the Group

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

A12. Changes in Contingent Liabilities or Contingent Assets**a) Guarantees**

In the ordinary course of business, contingent liabilities of the Group comprise:-

	As At 30 June 2013 RM'000
Bank guarantee facilities granted to suppliers for services provided	<u>635</u>

b) Claim

Value added tax (VAT)	<u>-</u>
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On 7 June 2012, the tax authorities of Indonesia had claimed VAT payable of IDR 8.5 billion together with a penalty of IDR 8.5 billion (total IDR 17 billion, equivalent to approximately RM5.406 million) from PT The Nomad Offices Indonesia ("PTTNOI"), a wholly owned subsidiary. The VAT payable is in relation to PTTNOI's acquisition of Menara ICB Bumiputera (formerly known as Menteng Office Park) in Jakarta in year 2009. PTTNOI had appealed in accordance with the prevailing laws and on 22 July 2013, the Tax Court of Indonesia accepted PTTNOI's appeal and declared that the VAT claim of IDR 17 billion by the tax authorities of Indonesia is invalid.

Other than the above, there were no material contingent liabilities or contingent assets not provided for in the financial statement as at 30 June 2013.

A13. Commitment

There were no material commitments not provided for in the financial statement as at 30 June 2013.

A14. Operating Lease Arrangements

The future aggregate minimum lease payables under non-cancellable operating leases contracted for as at date of statement of financial position but not recognised as payables are as follows:

	As At 30 June 2013 RM'000
Within one year	16,310
In the second to fifth year inclusive	12,368
Total future minimum lease payables	<u>28,678</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

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

The Group's pre-tax profit for the period ended 30 June 2013 was higher than the previous year corresponding period by RM5.6 million (2013 : RM8.0 million, 2012 : RM2.4 million).

Performance of the respective operating business segments for the period ended 30 June 2013 compared to the previous year corresponding period is analysed as follows:-

- 1) Investment holding - The current year-to-date pre-tax profit was RM1.4 million compared with the previous year corresponding period of RM0.5 million. This increase was mainly due to higher interest income arising from money market placements.
- 2) Serviced residences - The pre-tax profit increased by RM0.3 million for the current year-to-date compared to the previous year corresponding period. This was mainly due to higher room rates from the hotels resulted in higher revenue.
- 3) Serviced offices - The serviced offices segment generated a pre-tax profit of RM4.5 million for the current year-to-date compared to the previous year corresponding period of RM8,000. The increase was mainly due to the profit from the sale of a land measuring 2,553 sq meter held under HGB No. 1261/1998 together with a constructed 9-storey office building located at Jalan Probolinggo 18, Menteng, Central Jakarta, Indonesia held by PT The Nomad Offices Indonesia, a wholly owned subsidiary, which was completed on 8 February 2013. This is offset by higher operating expenses from non-matured serviced offices.

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter ended 30 June 2013, the Group recorded a lower pre-tax profit at RM1.1 million compared with RM1.4 million in the previous year corresponding quarter.

Performance of the respective operating business segments for the current quarter ended 30 June 2013 compared to the previous year corresponding quarter is analysed as follows:-

- 1) Investment holding – For the current quarter under review, the pre-tax profit was RM1.7 million higher compared to the previous year corresponding quarter. The increase was mainly due to foreign exchange gain of RM0.6 million and higher interest income of RM0.1 million arising from money market placements.
- 2) Serviced residences – The pre-tax profit for the current quarter under review was RM1.3 million compared to RM1.6 million in the previous year corresponding quarter. The drop of RM0.3 million was mainly due to lower occupancy rates and higher operating cost compared to the previous year corresponding quarter.
- 3) Serviced offices – The pre-tax loss for the current quarter under review was RM2.5 million compared to pre-tax loss of RM0.8 million in the previous year corresponding quarter. The pre-tax loss incurred was mainly due to higher operating costs incurred in establishing three (3) new serviced office centers in Kuala Lumpur, Jakarta and Bangkok which have yet to mature.

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 ended 30 June 2013 to the date of this announcement.

B2. Material Changes in Quarterly Results

	Current Quarter 30 June 2013 RM'000	Preceding Quarter 31 March 2013 RM'000
Revenue	18,733	17,251
Profit Before Tax	1,102	6,890

For the current quarter ended 30 June 2013, the Group recorded higher revenue by RM1.5 million but a lower pre-tax profit by RM5.8 million compared to preceding quarter. The performance of the respective business segments is analysed as follows :-

- 1) Investment holding - For the current quarter under review, the revenue and pre-tax profit increased by RM0.9 million and RM3.3 million respectively compared to the preceding quarter mainly due to dividend income received from investment in shares, higher share of profit in the associate company by RM0.5 million and foreign exchange gain of RM0.6 million.
- 2) Serviced residences – For the current quarter under review, the revenue and pre-tax profit increased by RM0.6 million and RM0.4 million respectively compared to the preceding quarter. This was mainly due to higher occupancy and average room rates achieved.
- 3) Serviced offices – For the current quarter under review, the revenue remained comparable to preceding quarter where as the pre-tax profit in the preceding quarter was higher by RM9.5 million mainly due to the profit from the sale of the property stated in note B1.

B3. Current Year Prospects

In view of the unabated uncertainty surrounding the global economy, the Board anticipates that the business environment in which the Group operates will remain challenging for the financial year 2013.

B4. Profit Forecast

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

B5. Operating Profit

	Current Quarter 30 June		Year to date 30 June	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Included in the operating profit are:-				
Interest income	92	231	239	464
Other income including investment income	1,946	805	10,394	1,582
Interest expense	(1,127)	(1,118)	(2,211)	(2,286)
Depreciation	(2,897)	(3,099)	(5,780)	(6,213)
Bad debts recovered	-	1	13	1
Reversal of allowance for doubtful debts	-	-	-	(3)
Foreign exchange gain / (loss)	176	6	447	(99)

B6. Taxation

Taxation comprised the following:-

	Current quarter 30 June 2013 RM'000	Year to date 30 June 2013 RM'000
Tax Expense	257	2,208

The year-to-date effective income tax rate is higher than the statutory tax rate mainly due to the absence of Group relief for tax losses of certain overseas subsidiaries and certain expenses not allowed for tax purposes.

B7. Status of Corporate Proposal

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

B8. Group Borrowings and Debt Securities

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

	30 June 2013
	RM'000
Current	6,600
Non-current	70,277
	<u>76,877</u>

B9. Material Litigations

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

B10. Dividend Proposed or Declared

The Board does not recommend any interim dividend during the quarter under review and financial year to-date.

B11. Earnings Per Share ('EPS')

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year 30 June 2013 RM'000	Preceding Corresponding Financial Year 30 June 2012 RM'000	Current Financial Year To Date 30 June 2013 RM'000	Preceding Financial Year To Date 30 June 2012 RM'000
Basic Earnings per ordinary share				
Group profit after tax used as numerator in the calculation of basic EPS	845	1,061	5,784	1,746
Weighted average no. of ordinary shares in issue used as denominator in the calculation of basic EPS ('000)	223,068	223,068	223,068	223,068
Basic Earnings Per Ordinary Share (sen)	0.38	0.48	2.59	0.78
Diluted Earnings Per Ordinary Share (sen)	0.38	0.48	2.59	0.78

B12. Realised and Unrealised Unappropriated Profits

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

	30.06.2013	31.12.2012
	RM'000	RM'000
Total unappropriated profits of the Company and its subsidiaries:		
- Realised profits	15,734	16,062
- Unrealised losses	(12,869)	(13,043)
Total share of unappropriated profits from an associate:		
- Realised profits	12,808	8,932
- Unrealised losses	(2,733)	(1,449)
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	12,940	10,502
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B13. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution dated 14 August 2013.

By order of the Board
THE NOMAD GROUP BHD
JENNY WONG CHEW BOEY (MAICSA 7006120)
Secretary
Kuala Lumpur
14 August 2013