

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	ENDED	QUARTER		PERIOD
	30 JUNE 2014	30 JUNE 2013	30 JUNE 2014	30 JUNE 2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue	21,047	18,733	41,018	35,984
Other operating income	1,431	1,970	2,519	10,592
Depreciation	(3,219)	(2,897)	(6,527)	(5,780)
Other operating expenses	(17,345)	(15,586)	(34,540)	(30,151)
Profit from operations	1,914	2,220	2,470	10,645
Finance costs	(1,095)	(1,127)	(2,195)	(2,211)
Share in results of an associate company	-	9	-	(442)
Profit before taxation	819	1,102	275	7,992
Taxation	(366)	(257)	(605)	(2,208)
Profit / (Loss) for the period	453	845	(330)	5,784
Basic earnings / (loss) per ordinary share (sen)	0.20	0.38	(0.15)	2.59

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	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 2014	30 JUNE 2013	30 JUNE 2014	30 JUNE 2013
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) for the period	453	845	(330)	5,784
Foreign currency translation differences for foreign operations	(440)	(475)	8,218	(634)
Fair value of available-for-sale financial assets	1,274	3,705	(2,855)	8,138
Share of other comprehensive income of an associate company	-	2,938	-	4,318
Total comprehensive income for the period	1,287	7,013	5,033	17,606

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	As at 30 JUNE 2014 RM'000	Audited as at 31 DECEMBER 2013 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	290,901	295,584
Other investments	91	91
Other receivables	4,748	4,997
Goodwill on consolidation	12,105	12,134
TOTAL NON-CURRENT ASSETS	307,845	312,806
CURRENT ASSETS		
Inventories	421	373
Trade receivables	1,844	2,615
Other receivables	8,829	2,653
Tax recoverable	159	151
Available-for-sale financial assets	47,124	49,979
Financial assets at fair value through profit or loss	62,676	48,510
Deposits, cash and bank balances	19,617	20,509
Non-current asset classified as held for sale	-	18,484
TOTAL CURRENT ASSETS	140,670	143,274
TOTAL ASSETS	448,515	456,080
CAPITAL AND RESERVES		
Share capital	223,068	223,068
Reserves	121,217	120,645
TOTAL EQUITY	344,285	343,713
NON-CURRENT LIABILITIES		
Bank borrowings	65,197	68,525
Deferred taxation	11,653	11,653
TOTAL NON-CURRENT LIABILITIES	76,850	80,178
CURRENT LIABILITIES		
Trade payables	3,414	4,891
Other payables	15,769	20,148
Bank borrowings	8,197	7,150
TOTAL CURRENT LIABILITIES	27,380	32,189
TOTAL EQUITY AND LIABILITIES	448,515	456,080

Net assets per share attributable to equity holders of the parent (RM)	1.54	1.54
---	------	------

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

	<----- Non-distributable ----->			<--Distributable-->		Total
	Share capital	Share premium	Foreign currency translation reserve	Fair value reserve	Unappropriated profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
PERIOD ENDED 30 JUNE 2013						
At 1 January 2013	223,068	79,437	(3,564)	35,866	10,502	345,309
Foreign currency translation differences for foreign operations	-	-	(634)	-	-	(634)
Fair value of available-for-sale financial assets	-	-	-	8,138	-	8,138
Share of other comprehensive income of an associate company	-	-	-	4,318	-	4,318
Profit for the period	-	-	-	-	5,784	5,784
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	223,068	79,437	(4,198)	48,322	12,940	359,569
PERIOD ENDED 30 JUNE 2014						
At 1 January 2014	223,068	79,437	(9,948)	43,630	7,526	343,713
Foreign currency translation differences for foreign operations	-	-	8,218	-	-	8,218
Fair value of available-for-sale financial assets	-	-	-	(2,855)	-	(2,855)
Loss for the period	-	-	-	-	(330)	(330)
Total comprehensive income for the period	-	-	8,218	(2,855)	(330)	5,033
Dividend paid (Note A7)	-	-	-	-	(4,461)	(4,461)
At 30 June 2014	223,068	79,437	(1,730)	40,775	2,735	344,285

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 2013.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2014

	6 months ended 30 JUNE 2014	6 months ended 30 JUNE 2013
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		
Profit before taxation	275	7,992
Adjustments for:-		
Depreciation of property, plant and equipment	6,527	5,780
Interest expense	2,195	2,211
Property, plant and equipment written off	32	3
Allowance for doubtful debts	4	-
Dividend income	(972)	(820)
Fair value gain on financial assets at FVTPL ^	(905)	(564)
Interest income	(190)	(239)
Loss on disposal of property, plant and equipment	(10)	83
Share in results of an associate	-	442
Gain on disposal of non-current asset held for sale	-	(7,547)
Bad debts recovered	-	(13)
Operating profit before working capital changes	6,956	7,328
Changes in:-		
Inventories	(48)	(21)
Receivables	(5,220)	(54)
Payables	(5,977)	(6,004)
Cash (used in) / generated from operations	(4,289)	1,249
Interest received	176	222
Income taxes paid	(418)	(2,250)
Income taxes recovered	-	1,830
Net cash (used in) / generated from operating activities	(4,531)	1,051
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non-current asset held for sale	18,484	31,735
Proceeds from disposal of financial assets at FVTPL ^	8,539	6,240
Dividend received	972	820
Proceeds from disposal of property, plant and equipment	77	62
Purchase of financial assets at FVTPL ^	(21,800)	(31,170)
Purchase of property, plant and equipment	(1,970)	(9,121)
Net cash generated from / (used in) investing activities	4,302	(1,434)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	1,347	12,519
Repayment of bank borrowings	(4,100)	(12,486)
Interest paid	(2,195)	(2,211)
Dividend paid	(4,461)	(3,346)
Net cash used in financing activities	(9,409)	(5,524)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(9,638)	(5,907)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,509	35,362
EFFECT OF EXCHANGE RATE CHANGES	8,274	(826)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,145	28,629
Cash and cash equivalents comprise:		
Cash in hand and at bank	6,693	6,365
Short term deposits with licensed banks	12,924	22,264
	19,617	28,629
Bank overdraft included in bank borrowings	(472)	-
	19,145	28,629

^ FVTPL - Fair Value Through Profit or Loss

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 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 Paragraph 9.22 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 2013.

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 2014.

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 quarter ended 30 June 2014.

A7. Dividend Paid

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

	<u>30.06.2014</u>	<u>30.06.2013</u>
Final dividend for financial year	31 December 2013	31 December 2012
Approved and declared on	08 May 2014	09 May 2013
Date paid	19 May 2014	20 May 2013
Number of ordinary share on which dividend was paid ('000)	223,068	223,068
Dividend per share	2.0 sen single tier	2.0 sen less tax of 25%
Net dividend paid (RM'000)	4,461	3,346

A8. Segmental Information

Analysis of the Group's revenue and results for the six months ended 30 June 2014 by operating segments are as follows:

Six months ended 30 June 2014

	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	1,097	26,882	4,567	-	32,546
Intersegment sales	4,000	733	-	(4,733)	-
	<u>5,097</u>	<u>27,615</u>	<u>4,567</u>	<u>(4,733)</u>	<u>32,546</u>
Results					
Profit / (Loss) before taxation	1,059	2,888	(1,825)	-	<u>2,122</u>
Assets					
Segment assets	124,080	295,162	6,621	-	<u>425,863</u>
Liabilities					
Segment liabilities	1,011	92,020	3,955	-	<u>96,986</u>
					Total Overseas Operations RM'000
<u>Overseas Operations ^ :</u>					
Revenue					
External	-	-	8,472	-	8,472
Results					
Loss before taxation	-	-	(1,847)	-	<u>(1,847)</u>
Assets					
Segment assets	-	-	22,652	-	<u>22,652</u>
Liabilities					
Segment liabilities	-	-	7,244	-	<u>7,244</u>
					Group Total RM'000
<u>Group :</u>					
Revenue					
External	1,097	26,882	13,039	-	41,018
Intersegment sales	4,000	733	-	(4,733)	-
	<u>5,097</u>	<u>27,615</u>	<u>13,039</u>	<u>(4,733)</u>	<u>41,018</u>
Results					
Profit / (Loss) before taxation	1,059	2,888	(3,672)	-	<u>275</u>
Assets					
Total assets	124,080	295,162	29,273	-	<u>448,515</u>
Liabilities					
Total liabilities	1,011	92,020	11,199	-	<u>104,230</u>

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

A8. Segmental Information (continued)

Segmental analysis for the preceding corresponding six months ended 30 June 2013 are as follows:

Six months ended 30 June 2013					
	Investment Holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000	RM'000	RM'000
Domestic Operations :					
Revenue					
External	934	22,064	4,260	-	27,258
Intersegment sales	-	600	-	(600)	-
	934	22,664	4,260	(600)	27,258
Results					
Segment results	1,764	2,140	(2,089)	-	1,815
Share in results of an associate					(442)
Profit before taxation					1,373
Assets					
Segment assets	107,468	295,409	7,467	-	410,344
Investment in an associate					29,195
Total segment assets					439,539
Liabilities					
Segment liabilities	304	95,460	2,331	-	98,095
					Total Overseas Operations
					RM'000
Overseas Operations ^ :					
Revenue					
External	-	-	8,726	-	8,726
Results					
Profit before taxation	-	-	6,619	-	6,619
Assets					
Segment assets	-	-	25,241	-	25,241
Liabilities					
Segment liabilities	-	-	7,116	-	7,116
					Group Total
					RM'000
Group :					
Revenue					
External	934	22,064	12,986	-	35,984
Intersegment sales	-	600	-	(600)	-
	934	22,664	12,986	(600)	35,984
Results					
Segment results	1,764	2,140	4,530	-	8,434
Share in results of an associate					(442)
Profit before taxation					7,992
Assets					
Segment assets	107,468	295,409	32,708	-	435,585
Investment in an associate					29,195
Total assets					464,780
Liabilities					
Total liabilities	304	95,460	9,447	-	105,211

^ 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

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 current quarter under review.

A12. Contingent Liabilities or Contingent Assets**Guarantees**

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

	As At 30 June 2014 RM'000
Bank guarantee facilities granted to suppliers for services provided	<u>635</u>
Corporate guarantee extended to subsidiary companies for term loans and bank overdraft granted by licensed banks	<u>73,394</u>

Other than the above, there were no material contingent liabilities or contingent assets not provided for in the financial statements as at 30 June 2014.

A13. Commitment

There were no material commitments not provided for in the financial statements as at 30 June 2014.

A14. Operating Lease Arrangements

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

	As At 30 June 2014 RM'000
Within one year	16,928
<u>In the second to fifth year inclusive</u>	<u>24,901</u>
<u>Total future minimum lease payables</u>	<u>41,829</u>

A15. Related Party Transactions

There were no related party transactions had been entered into in the ordinary course of business based on normal commercial terms and on arms' length basis.

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 six months ended 30 June 2014 was lower than the previous year corresponding period by RM7.7 million (2014 : RM0.3 million, 2013 : RM8.0 million).

Performance of the respective operating business segments is analysed as follows:-

- 1) Investment holding - The current year-to-date pre-tax profit was RM1.1 million compared with the previous year corresponding period of RM1.3 million. The higher pre-tax profit in the previous year corresponding period was mainly due to recovery of investment written off amounting to RM0.8 million and foreign exchange gain.
- 2) Serviced residences - Pre-tax profit increased by RM0.7 million in tandem with higher revenue of RM4.8 million when compared to the previous year corresponding period. The higher profit was mainly due to higher occupancy rates and average room rates, offset by operating costs incurred in existing hotels, serviced residences and establishing the new hotel in Penang (GLOW Penang) that commenced business since December 2013.
- 3) Serviced offices - A pre-tax loss of RM3.7 million was incurred for the current year-to-date compared with a pre-tax profit of RM4.5 million for the previous year corresponding period. The profit of previous year corresponding period was mainly attributable to gain on sale of land and building in Jakarta, Indonesia.

b) Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter ended 30 June 2014, the Group recorded a pre-tax profit of RM0.8 million compared with RM1.1 million in the previous year corresponding quarter.

Performance of the respective operating business segments is analysed as follows:-

- 1) Investment holding – The pre-tax profit was RM1.2 million lower compared to the previous year corresponding quarter. This was mainly due to the recovery of investment written off amounting to RM0.8 million and foreign exchange gain in previous year corresponding quarter.
- 2) Serviced residences – The pre-tax profit was RM1.6 million compared to RM1.3 million in the previous year corresponding quarter mainly due to higher revenue from existing hotels and serviced residences and lower loss from the new hotel (GLOW Penang).
- 3) Serviced offices – The pre-tax loss was lower at RM1.9 million compared to RM2.5 million in the previous year corresponding quarter mainly due to higher unrealised foreign exchange gain in the current quarter.

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 2014 to the date of this announcement.

B2. Material Changes in Quarterly Results

	Current Quarter 30 June 2014 RM'000	Preceding Quarter 31 March 2014 RM'000
Revenue	21,047	19,971
Profit / (Loss) Before Tax	819	(544)

For the current quarter ended 30 June 2014, the Group recorded higher revenue by RM1.1 million and higher pre-tax profit by RM1.4 million compared to the preceding quarter. The performance of the respective business segments is analysed as follows :-

- 1) Investment holding - Revenue and pre-tax profit increased by RM1.0 million and RM1.2 million respectively compared to the preceding quarter. This was mainly due to dividend income received from investment in shares and higher interest income from money market placements.
- 2) Serviced residences – Revenue and pre-tax profit increased by RM0.4 million and RM0.3 million respectively compared to the preceding quarter. This was mainly due to contribution from the new hotel (GLOW Penang) and higher occupancy rates in existing hotels and serviced residences.
- 3) Serviced offices – Revenue decreased by RM0.3 million and pre-tax loss increased by RM0.1 million compared to the preceding quarter. This was mainly due to lower average rental rates and higher operating costs.

B3. Current Year Prospects

In view of the continued uncertainty surrounding the global economy, the Board anticipates that the business environment in which the Group operates will be challenging for the remaining financial year 2014.

B4. Profit Forecast

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

B5. Profit Before Taxation

	Current Quarter 30 June		Year to date 30 June	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Included in the profit before taxation are:-				
Foreign exchange gain / (loss)	33	176	(31)	447
Interest income	97	92	190	239
Other income including investment income	1,396	1,946	2,454	10,394
Allowance for doubtful debts	(4)	-	(4)	-
Interest expense	(1,095)	(1,127)	(2,195)	(2,211)
Depreciation	(3,219)	(2,897)	(6,527)	(5,780)
Bad debts recovered	-	-	-	13

B6. Taxation

Taxation comprised the following:-

	Current quarter 30 June 2014 RM'000	Year to date 30 June 2014 RM'000
Tax Expense	<u>366</u>	<u>605</u>

The tax expense 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, mitigated by tax exempted income.

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 2014
	RM'000
Current	8,197
Non-current	65,197
	<u>73,394</u>

B9. Material Litigations

There were no material litigations as at 30 June 2014 which would have a material impact on the Group.

B10. Dividend Proposed and Declared

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

B11. Earnings Per Share ('EPS')

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Financial Year 30 June 2014	Preceding Corresponding Financial Year 30 June 2013	Current Financial Year To Date 30 June 2014	Preceding Financial Year To Date 30 June 2013
Basic Earnings per ordinary share				
Group profit / (loss) after tax used as numerator in the calculation of basic EPS (RM'000)	453	845	(330)	5,784
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 / (Loss) Per Ordinary Share (sen)	0.20	0.38	(0.15)	2.59
Diluted Earnings / (loss) Per Ordinary Share (sen)	0.20	0.38	(0.15)	2.59

B12. Realised and Unrealised Unappropriated Profits

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

	30.06.2014	31.12.2013
	RM'000	RM'000
Total unappropriated profits of the Company and its subsidiaries:		
- Realised profits	14,419	13,743
- Unrealised losses	(11,684)	(6,217)
	<u>2,735</u>	<u>7,526</u>

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 2014.

By order of the Board

THE NOMAD GROUP BHD

JENNY WONG CHEW BOEY (MAICSA 7006120)

Secretary

Kuala Lumpur

14 August 2014