

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	ENDED	QUARTER	PERIOD	PERIOD
	30 SEPTEMBER 2014	30 SEPTEMBER 2013	30 SEPTEMBER 2014	30 SEPTEMBER 2013
	RM'000	RM'000	RM'000	RM'000
Operating revenue	21,936	21,094	62,954	57,078
Other operating income	1,357	91	3,876	10,683
Depreciation	(3,083)	(2,922)	(9,610)	(8,702)
Other operating expenses	(16,836)	(15,364)	(51,376)	(45,515)
Profit from operations	3,374	2,899	5,844	13,544
Finance costs	(1,091)	(1,167)	(3,286)	(3,378)
Share in results of an associate company	-	(1,053)	-	(1,495)
Profit before taxation	2,283	679	2,558	8,671
Taxation	(484)	(214)	(1,089)	(2,422)
Profit for the period	1,799	465	1,469	6,249
Basic earnings per ordinary share (sen)	0.81	0.21	0.66	2.80

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 SEPTEMBER 2014	30 SEPTEMBER 2013	30 SEPTEMBER 2014	30 SEPTEMBER 2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,799	465	1,469	6,249
Foreign currency translation differences for foreign operations	(215)	(4,402)	8,003	(5,036)
Fair value of available-for-sale financial assets	1,822	(972)	(1,033)	7,166
Share of other comprehensive income of an associate company	-	(8)	-	4,310
Total comprehensive income / (loss) for the period	3,406	(4,917)	8,439	12,689

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 SEPTEMBER 2014

	As at 30 SEPTEMBER 2014 RM'000	Audited as at 31 DECEMBER 2013 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	288,466	295,584
Other investments	91	91
Other receivables	4,826	4,997
Goodwill on consolidation	12,110	12,134
TOTAL NON-CURRENT ASSETS	305,493	312,806
CURRENT ASSETS		
Inventories	382	373
Trade receivables	2,964	2,615
Other receivables	8,046	2,653
Tax recoverable	210	151
Available-for-sale financial assets	48,946	49,979
Financial assets at fair value through profit or loss	65,558	48,510
Deposits, cash and bank balances	19,081	20,509
Non-current asset classified as held for sale	-	18,484
TOTAL CURRENT ASSETS	145,187	143,274
TOTAL ASSETS	450,680	456,080
CAPITAL AND RESERVES		
Share capital	223,068	223,068
Reserves	124,623	120,645
TOTAL EQUITY	347,691	343,713
NON-CURRENT LIABILITIES		
Bank borrowings	63,061	68,525
Deferred taxation	11,653	11,653
TOTAL NON-CURRENT LIABILITIES	74,714	80,178
CURRENT LIABILITIES		
Trade payables	3,516	4,891
Other payables	16,497	20,148
Bank borrowings	8,262	7,150
TOTAL CURRENT LIABILITIES	28,275	32,189
TOTAL EQUITY AND LIABILITIES	450,680	456,080

Net assets per share attributable to equity holders of the parent (RM)	1.56	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 THIRD QUARTER ENDED 30 SEPTEMBER 2014

	<----- Non-distributable ----->			<--Distributable-->		
	Share capital	Share premium	Foreign currency translation reserve	Fair value reserve	Unappropriated profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>PERIOD ENDED 30 SEPTEMBER 2013</u>						
At 1 January 2013	223,068	79,437	(3,564)	35,866	10,502	345,309
Foreign currency translation differences for foreign operations	-	-	(5,036)	-	-	(5,036)
Fair value of available-for-sale financial assets	-	-	-	7,166	-	7,166
Share of other comprehensive income of an associate company	-	-	-	4,310	-	4,310
Profit for the period	-	-	-	-	6,249	6,249
Total comprehensive income for the period	-	-	(5,036)	11,476	6,249	12,689
Dividend paid (Note A7)	-	-	-	-	(3,346)	(3,346)
At 30 September 2013	<u>223,068</u>	<u>79,437</u>	<u>(8,600)</u>	<u>47,342</u>	<u>13,405</u>	<u>354,652</u>
<u>PERIOD ENDED 30 SEPTEMBER 2014</u>						
At 1 January 2014	223,068	79,437	(9,948)	43,630	7,526	343,713
Foreign currency translation differences for foreign operations	-	-	8,003	-	-	8,003
Fair value of available-for-sale financial assets	-	-	-	(1,033)	-	(1,033)
Profit for the period	-	-	-	-	1,469	1,469
Total comprehensive income for the period	-	-	8,003	(1,033)	1,469	8,439
Dividend paid (Note A7)	-	-	-	-	(4,461)	(4,461)
At 30 September 2014	<u>223,068</u>	<u>79,437</u>	<u>(1,945)</u>	<u>42,597</u>	<u>4,534</u>	<u>347,691</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 2013.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	9 months ended 30 SEPTEMBER 2014	9 months ended 30 SEPTEMBER 2013
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES		
Profit before taxation	2,558	8,671
Adjustments for:-		
Depreciation of property, plant and equipment	9,610	8,702
Interest expense	3,286	3,378
Property, plant and equipment written off	42	43
Allowance for doubtful debts	4	-
Dividend income	(3,158)	(3,006)
Fair value gain on financial assets at FVTPL ^	(1,497)	(873)
Interest income	(297)	(327)
Loss on disposal of property, plant and equipment	(29)	74
Share in results of an associate	-	1,495
Gain on disposal of non-current asset held for sale	-	(6,803)
Bad debts recovered	-	(11)
Operating profit before working capital changes	10,519	11,343
Changes in:-		
Inventories	(9)	(91)
Receivables	(5,637)	573
Payables	(5,085)	(1,992)
Cash (used in) / generated from operations	(212)	9,833
Interest received	286	314
Income taxes paid	(1,041)	(2,567)
Income taxes refunded	24	1,830
Net cash (used in) / generated from operating activities	(943)	9,410
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non-current asset held for sale	18,484	28,176
Proceeds from disposal of financial assets at FVTPL ^	12,149	10,000
Dividend received	3,158	3,006
Proceeds from disposal of property, plant and equipment	96	61
Purchase of financial assets at FVTPL ^	(27,700)	(36,770)
Purchase of property, plant and equipment	(2,526)	(14,389)
Net cash generated from / (used in) investing activities	3,661	(9,916)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	1,511	14,906
Repayment of bank borrowings	(6,200)	(14,386)
Interest paid	(3,286)	(3,378)
Dividend paid	(4,461)	(3,346)
Net cash used in financing activities	(12,436)	(6,204)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(9,718)	(6,710)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20,509	35,362
EFFECT OF EXCHANGE RATE CHANGES	7,953	(2,624)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18,744	26,028
Cash and cash equivalents comprise:		
Cash in hand and at bank	5,746	7,200
Short term deposits with licensed banks	13,335	19,297
	19,081	26,497
Bank overdraft included in bank borrowings	(337)	(469)
	18,744	26,028

^ 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 September 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 September 2014.

A7. Dividend Paid

No dividend was paid in the current quarter. The following dividend was paid during the current year-to-date and previous year corresponding period:-

	<u>30.09.2014</u>	<u>30.09.2013</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 nine months ended 30 September 2014 by operating segments are as follows:

Nine months ended 30 September 2014

	Investment Holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Domestic Operations :</u>					
Revenue					
External	3,347	40,166	6,899	-	50,412
Intersegment sales	7,300	1,193	-	(8,493)	-
	<u>10,647</u>	<u>41,359</u>	<u>6,899</u>	<u>(8,493)</u>	<u>50,412</u>
Results					
Profit / (Loss) before taxation	3,586	4,241	(2,330)	-	5,497
Assets					
Segment assets	130,489	290,983	6,639	-	428,111
Liabilities					
Segment liabilities	1,308	89,408	4,320	-	95,036
					Total Overseas Operations
					RM'000
<u>Overseas Operations ^ :</u>					
Revenue					
External	-	-	12,542	-	12,542
Results					
Loss before taxation	-	-	(2,939)	-	(2,939)
Assets					
Segment assets	-	-	22,569	-	22,569
Liabilities					
Segment liabilities	-	-	7,953	-	7,953
					Group Total
					RM'000
<u>Group :</u>					
Revenue					
External	3,347	40,166	19,441	-	62,954
Intersegment sales	7,300	1,193	-	(8,493)	-
	<u>10,647</u>	<u>41,359</u>	<u>19,441</u>	<u>(8,493)</u>	<u>62,954</u>
Results					
Profit / (Loss) before taxation	3,586	4,241	(5,269)	-	2,558
Assets					
Total assets	130,489	290,983	29,208	-	450,680
Liabilities					
Total liabilities	1,308	89,408	12,273	-	102,989

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

A8. Segmental Information (continued)

Segmental analysis for the preceding corresponding nine months ended 30 September 2013 are as follows:

Nine months ended 30 September 2013

	Investment Holding	Serviced Residences	Serviced Offices	Eliminations	Total Domestic Operations
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Domestic Operations :</u>					
Revenue					
External	3,185	34,010	6,612	-	43,807
Intersegment sales	-	1,068	-	(1,068)	-
	<u>3,185</u>	<u>35,078</u>	<u>6,612</u>	<u>(1,068)</u>	<u>43,807</u>
Results					
Segment results	3,792	3,632	(3,329)	-	4,095
Share in results of an associate					(1,495)
Profit before taxation					<u>2,600</u>
Assets					
Segment assets	104,359	299,258	7,962	-	411,579
Investment in an associate					28,134
Total segment assets					<u>439,713</u>
Liabilities					
Segment liabilities	426	96,340	2,611	-	99,377
					Total Overseas Operations
					RM'000
<u>Overseas Operations ^ :</u>					
Revenue					
External	-	-	13,271	-	13,271
Results					
Profit before taxation	-	-	6,071	-	6,071
Assets					
Segment assets	-	-	24,945	-	24,945
Liabilities					
Segment liabilities	-	-	10,629	-	10,629
					Group Total
					RM'000
<u>Group :</u>					
Revenue					
External	3,185	34,010	19,883	-	57,078
Intersegment sales	-	1,068	-	(1,068)	-
	<u>3,185</u>	<u>35,078</u>	<u>19,883</u>	<u>(1,068)</u>	<u>57,078</u>
Results					
Segment results	3,792	3,632	2,742	-	10,166
Share in results of an associate					(1,495)
Profit before taxation					<u>8,671</u>
Assets					
Segment assets	104,359	299,258	32,907	-	436,524
Investment in an associate					28,134
Total assets					<u>464,658</u>
Liabilities					
Total liabilities	426	96,340	13,240	-	110,006

[^] 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 September 2014 RM'000
Bank guarantee facilities granted to suppliers for services provided	<u>655</u>
Corporate guarantee extended to subsidiary companies for term loans and bank overdraft granted by licensed banks	<u>71,323</u>

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

A13. Commitment

There were no material commitments not provided for in the financial statements as at 30 September 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 September 2014 RM'000
Within one year	15,758
In the second to fifth year inclusive	22,209
Total future minimum lease payables	<u>37,967</u>

A15. Related Party Transactions

There were no related party transactions had been entered into 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 nine months ended 30 September 2014 was lower than the previous year corresponding period by RM6.1 million (2014 : RM2.6 million, 2013 : RM8.7 million).

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

- 1) Investment holding - The current year-to-date pre-tax profit was RM3.6 million compared with the previous year corresponding period of RM2.3 million. The higher pre-tax profit was mainly due to higher interest income from money market placements and discontinuance of share in results of an associate company that was disposed off in year 2014, offset by recovery of investment written off amounting to RM0.8 million in previous year corresponding period.
- 2) Serviced residences - Pre-tax profit increased by RM0.6 million in tandem with higher revenue of RM6.2 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 in December 2013.
- 3) Serviced offices - A pre-tax loss of RM5.3 million was incurred for the current year-to-date compared with a pre-tax profit of RM2.7 million for the previous year corresponding period. The profit of previous year corresponding period was mainly attributed 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 September 2014, the Group recorded a pre-tax profit of RM2.3 million compared with RM0.7 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 RM1.6 million higher compared to the previous year corresponding quarter, mainly due to share of loss in an associate company of RM1.1 million in previous year corresponding quarter.
- 2) Serviced residences – There is no material change in the pre-tax profit of RM1.4 million compared to RM1.5 million in the previous year corresponding quarter.
- 3) Serviced offices – The pre-tax loss was lower at RM1.6 million compared to RM1.8 million in the previous year corresponding quarter. Higher pre-tax loss in previous year corresponding quarter was mainly due to higher operating costs from the new serviced office centres in Kuala Lumpur and Jakarta 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 September 2014 to the date of this announcement.

B2. Material Changes in Quarterly Results

	Current Quarter 30 September 2014 RM'000	Preceding Quarter 30 June 2014 RM'000
Revenue	21,936	21,047
Profit Before Tax	2,283	819

For the current quarter ended 30 September 2014, the Group recorded higher revenue by RM0.9 million and higher pre-tax profit by RM1.5 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 RM1.2 million and RM1.4 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 decreased by RM0.4 million and RM0.2 million respectively compared to the preceding quarter. This was mainly due to higher than expected drop in business in September 2014 for city hotels.
- 3) Serviced offices – Revenue increased by RM36,000 and pre-tax loss was lower by RM0.3 million compared to the preceding quarter mainly due to higher unrealised foreign exchange gain.

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 September		Year to date 30 September	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Included in the profit before taxation are:-				
Foreign exchange gain	214	5,070	183	5,517
Interest income	107	88	297	327
Other income including investment income	1,314	76	3,768	10,470
Allowance for doubtful debts	-	-	(4)	-
Interest expense	(1,091)	(1,167)	(3,286)	(3,378)
Depreciation	(3,083)	(2,922)	(9,610)	(8,702)
Bad debts (written off) / recovered	-	(2)	-	11

B6. Taxation

Taxation comprised the following:-

	Current quarter 30 September 2014 RM'000	Year to date 30 September 2014 RM'000
Tax Expense	484	1,089

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 September 2014
	RM'000
Current	8,262
Non-current	63,061
	71,323

B9. Material Litigations

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

B10. Dividend Proposed and Declared

Details of the interim dividend approved and declared by the Board of Directors is as follow:-

	<u>30.09.2014</u>	<u>30.09.2013</u>
Interim dividend for financial year	31 December 2014	31 December 2013
Dividend per share	-	3.0 sen less tax of 25%
Approved and declared on	-	14 November 2013
Entitlement to dividends based on Record of Depositors as at	-	06 December 2013
Date payable	-	17 December 2013

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 September 2014	Preceding Corresponding Financial Year 30 September 2013	Current Financial Year To Date 30 September 2014	Preceding Financial Year To Date 30 September 2013
Basic Earnings per ordinary share				
Group profit after tax used as numerator in the calculation of basic EPS (RM'000)	1,799	465	1,469	6,249
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)	0.81	0.21	0.66	2.80
Diluted Earnings Per Ordinary Share (sen)	0.81	0.21	0.66	2.80

B12. Realised and Unrealised Unappropriated Profits

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

	30.09.2014	31.12.2013
	RM'000	RM'000
Total unappropriated profits of the Company and its subsidiaries:		
- Realised profits	16,004	13,743
- Unrealised losses	(11,470)	(6,217)
	<u>4,534</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 06 November 2014.

By order of the Board

THE NOMAD GROUP BHD

JENNY WONG CHEW BOEY (MAICSA 7006120)

Secretary

Kuala Lumpur

06 November 2014