

## Story

The **Nomad Group** is on the lookout for hotel acquisitions in Thailand and Singapore, Gan Vi King, general manager of strategic planning. It is also exploring acquisitions of serviced office companies in China, India, Taiwan and Hong Kong.

The Malaysia-listed provider of serviced offices, hotels and serviced residences, is trying to grow its footprint outside of the country, said Gan. The company posted revenues of M (USD 22m) in 2010.

It would look at already established three- and four-star hotel properties in Bangkok and Singapore, with 100 rooms or more. The group has looked at properties valued from M 300k (USD 99k) per room to MYR 800k (USD 264k) per room, he noted. The properties to be in the city center near major business locations to target business travelers, the company's core demographic. It previously acquired the Novotel hotel in Kuala Lumpur 2009, in a deal which was valued at USD 13m.

Although the company pulled out from looking in Bangkok in early 2010 due to domestic political conflicts, it is now re-exploring opportunities and is aiming to acquire at least one hotel property in either Singapore or Bangkok by the end of the year. In fact, "we want to have the property since yesterday," Gan noted.

Separately, the company plans to expand its serviced office arm from its current hub in Southeast Asia to locations in China, India, Taiwan and Hong Kong. It would look at serviced office companies that cost below USD 1m and up to USD 3m per location.

Gan said acquisitions will make growth quicker, as gestation periods for organic investments are in the range of six to twelve months. He noted though that investment values in serviced offices are not as high as in hotels.

Although it does not work with any exclusive financial advisors, the company is in contact with local Malaysian advisors, said Gan.

The company has received buyer interest for several of its hotels, but it has no intention of selling, said Gan. It has not received any takeover interest on the serviced office side. The company's balance sheet is strong, said Gan, and it is not looking at external investment.

The "big boys" in the serviced office sector include London-listed **Regus** and Australia-listed **ServCorp**, said Gan.

The company presently has two hotels that it owns and operates, and one hotel which it manages for the owner. It has ten serviced office locations in six different cities in Southeast Asia.

by Debbi Sutuntivorakoon