THIS CIRCULAR TO SHAREHOLDERS OF PLENITUDE BERHAD ("PLENITUDE" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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PLENITUDE BERHAD

(Company No. 531086-T)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

CONDITIONAL TAKE-OVER OFFER BY PLENITUDE TO ACQUIRE ALL THE ORDINARY SHARES OF RM1.00 EACH IN THE NOMAD GROUP BHD ("OFFER SHARES") AT AN OFFER PRICE OF RM1.25 PER OFFER SHARE TO BE SATISFIED THROUGH THE ISSUANCE OF NEW ORDINARY SHARES OF RM1.00 EACH IN PLENITUDE AT AN ISSUE PRICE OF RM2.50 EACH ("CONSIDERATION SHARES"), WHERE EACH HOLDER OF THE OFFER SHARES WHO ACCEPTS THE OFFER WILL RECEIVE ONE (1) CONSIDERATION SHARE FOR EVERY TWO (2) OFFER SHARES SURRENDERED

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

Mercury Securities Sdn Bhd
(Company No. 113193-W)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of Plenitude to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 21 May 2015 at 3.00 p.m. or at any adjournment thereof is enclosed together with the Form of Proxy in this Circular.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the Company's registered office at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur on or before the time and date indicated below if you are not able to attend the EGM in person. The completion and lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last date and time for lodging the Form of Proxy	:	Tuesday, 19 May 2015, 3.00 p.m.
Date and time of the EGM	:	Thursday, 21 May 2015, 3.00 p.m.

This Circular is dated 6 May 2015

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

Acceptance Condition	-	The condition where the Company would have to receive, before the close of the Offer, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn) in respect of the Offer Shares, which would result in the Company holding, in aggregate with such TNGB Shares that are already acquired, held or entitled to be acquired or held by the Company, if any, more than 50% of the voting shares of TNGB
Accepting Holder	-	Holder who accepts the Offer in accordance with the terms and conditions set out in the Offer Document
Acquisition	-	As publicly announced by Plenitude to Bursa Securities on 24 July 2014 and completed on 18 March 2015, the acquisition by PISB from KWSP of a 259-suite hotel known as The Gurney Resort Hotel & Residences, retail units and 551 car park bays, bearing postal address of 18, Persiaran Gurney, 10250 Georgetown, Penang, the furniture, fixtures, fittings and equipment, the IT systems, the supplies and the food and beverages, for a total cash consideration of RM160.1 million
Act	-	Companies Act, 1965 as amended from time to time and any re-enactment thereof
BTMH or Reporting Accountants	-	Messrs Baker Tilly Monteiro Heng
Bursa Securities	-	Bursa Malaysia Securities Berhad
Circular	-	This circular to shareholders of the Company in relation to the Proposed Offer
Closing Date	-	First Closing Date or in the event the Offer is revised or extended in accordance with the Code and the terms and conditions of the Offer Document, such other revised or extended closing date(s) as the Company may decide and as may be announced by Mercury Securities on behalf of the Company, no later than two (2) days before the closing date
Code	-	Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time and any re-enactment thereof
Consideration Shares	-	New Plenitude Shares to be issued at the Issue Price as the consideration pursuant to the Offer
Distribution	-	Any dividend and/or other distribution of any nature whatsoever which may be declared, made or paid by TNGB or Plenitude (as the case may be) on or after the date of the Notice but prior to the Closing Date
EGM	-	Extraordinary general meeting
EPS	-	Earnings per share
First Closing Date	-	5.00 p.m. *(Malaysian time)* on 27 May 2015
FPE	-	Financial period ended

FYE	-	Financial year ending / ended
Holder	-	Holder of the Offer Shares
Implied Offer Prices	-	The implied offer prices based on the share exchange ratio of one (1) new Plenitude Share for every two (2) TNGB Shares surrendered and referenced to the prevailing market prices of Plenitude Shares
Issue Price	-	Issue price of RM2.50 per Consideration Share
KWSP	-	Lembaga Kumpulan Wang Simpanan Pekerja
Listing Requirements	-	Main Market Listing Requirements of Bursa Securities
LPD	-	30 April 2015, being the latest practicable date prior to the printing of this Circular
LTD	-	27 February 2015, being the last trading day prior to the serving of the Notice by Mercury Securities on behalf of the Company
Market Day	-	Any day on which Bursa Securities is open for trading in securities
Mercury Securities or Principal Adviser	-	Mercury Securities Sdn Bhd
NA	-	Net assets
Notice	-	Notice of the Offer dated 2 March 2015 issued by Mercury Securities, on behalf of the Company, and served on the TNGB Board
Offer Document	-	The offer document dated 6 May 2015 which sets out the details, terms and conditions of the Offer together with the form of acceptance and transfer for the Offer Shares
Offer Price	-	Offer price of RM1.25 per Offer Share
Offer Shares	-	All the TNGB Shares
P/B multiple	-	Price-to-book multiple
P/E multiple	-	Price-to-earnings multiple
PAT	-	Profit after tax
PBT	-	Profit before tax
PISB	-	Plenitude International Sdn Bhd, a wholly-owned subsidiary of the Company
Plenitude or the Company	-	Plenitude Berhad
Plenitude Board	-	Board of directors of Plenitude
Plenitude Group	-	Collectively, Plenitude and its subsidiaries
Plenitude Shares	-	Ordinary shares of RM1.00 each in Plenitude

Proposed Disposal	-	As publicly announced by TNGB to Bursa Securities on 12 November 2014, the disposal by TNOSB to Regus Asia Pacific Management Limited of the assets and business of serviced offices for a total cash consideration of GBP4.25 million (equivalent to approximately RM22.3 million)
Proposed Offer or Offer	-	Conditional take-over offer by the Company through Mercury Securities to acquire the Offer Shares from the Holders in accordance with the terms and conditions as set out in the Offer Document, including any revision or extension thereof, if any
RM and sen	-	Ringgit Malaysia and sen respectively
SC	-	Securities Commission Malaysia
TNGB	-	The Nomad Group Bhd
TNGB Board	-	Board of directors of TNGB
TNGB Group	-	Collectively, TNGB and its subsidiaries
TNGB Shares	-	Ordinary shares of RM1.00 each in TNGB
TNOSB	-	The Nomad Offices Sdn Bhd, a wholly-owned subsidiary of TNGB
VWAP	-	Volume weighted average market prices

Words referring to the singular shall, where applicable, include the plural and *vice versa*, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include companies or corporations, unless otherwise specified.

All references to "you" in this Circular are to the shareholders of the Company. All references to "we", "us" and "our" in this Circular are to the Company or the Plenitude Group, as the case may be.

Any discrepancies in the tables between amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Any reference to a time of day or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the plans and objectives of the Company will be achieved.

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LETTER FROM THE PLENITUDE BOARD TO THE SHAREHOLDERS OF THE COMPANY IN RELATION TO THE PROPOSED OFFER

PLENITUDE BERHAD

(Company No. 531086-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

2nd Floor, No. 2
Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

6 May 2015

Board of Directors

Chua Elsie *(Executive Chairman)*
Tan Kak Teck *(Independent Non-Executive Director)*
Ir. Teo Boon Keng *(Independent Non-Executive Director)*
Rashidah Binti Abdullah *(Independent Non-Executive Director)*
Tsang Chee Wah *(Non-Independent Non-Executive Director)*

To: The shareholders of Plenitude Berhad

Dear Sir / Madam,

CONDITIONAL TAKE-OVER OFFER BY PLENITUDE TO ACQUIRE THE ENTIRE EQUITY INTEREST IN TNGB

1. INTRODUCTION

On 2 March 2015, Mercury Securities had, on behalf of the Company, served the Notice on the TNGB Board informing them of the Company's intention to undertake a conditional take-over offer to acquire the Offer Shares at the Offer Price to be satisfied through the issuance of Consideration Shares at the Issue Price. Each Accepting Holder will receive one (1) Consideration Share for every two (2) Offer Shares surrendered.

On 6 May 2015, the Offer Document was despatched to the shareholders of TNGB.

The purpose of this Circular is to provide you with the relevant information on the Proposed Offer as well as to seek your approval for the resolution to give effect to the Proposed Offer to be tabled at our forthcoming EGM. The Notice of EGM and the Form of Proxy are enclosed together with this Circular.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED OFFER TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED OFFER

2.1 Consideration

(i) If TNGB declares, makes or pays any Distribution on or after the date of the Notice but prior to the close of the Offer and the Holders are entitled to retain such Distribution, the Company may reduce the Offer Price by the quantum of the net Distribution per TNGB Share which the Holders are entitled to retain, hence reducing the number of Consideration Shares to be issued.

As at the LPD, TNGB has not declared, made or paid any Distributions.

Similarly, if the Company declares, makes or pays any Distribution before the Consideration Shares are issued and shareholders of Plenitude are entitled to retain such Distribution, the Company may reduce the Issue Price by the quantum of the net Distribution per Consideration Share (which the Holders are not entitled to) and accordingly, increase the number of Consideration Shares to be issued.

(ii) Holders may accept the Offer in respect of all or part of their Offer Shares. The Company will not issue fractions of a Consideration Share to the Accepting Holders. The entitlement of the Accepting Holders to the Consideration Shares will be rounded down to the nearest whole Consideration Share.

(iii) The Company is proposing to acquire the Offer Shares on the basis that the acceptance of the Offer by a Holder is made in accordance with the terms and conditions set out in the Offer Document. Such acceptance will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holder that the Offer Shares, to which such acceptance relates, are sold:-

(a) free from any moratorium, claim, charge, lien, pledge, encumbrance, option, right of pre-emption, third party right and equity from the date of valid acceptance; and

(b) with all rights, benefits and entitlements attached thereto, including the rights to all Distributions declared, made or paid on or after the date of the Notice, subject to the adjustments referred to in Section 2.1(i) of this Circular.

2.2 Conditions of the Offer

The Offer shall be conditional upon the following:-

(i) fulfilment of the Acceptance Condition;

(ii) approval of Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities; and

(iii) approval of the shareholders of Plenitude for the Offer at an EGM to be convened.

In relation to item (ii) above, the approval of Bursa Securities was obtained via its letter dated 22 April 2015 subject to the conditions as set out in Section 9 of this Circular.

2.3 Number of Consideration Shares to be issued

The actual number of new Plenitude Shares to be issued by the Company pursuant to the Proposed Offer cannot be determined at this juncture as it would depend on the level of acceptance received under the Proposed Offer.

For illustrative purposes, based on TNGB's issued and paid-up share capital comprising 223,067,538 TNGB Shares as at the LPD, the maximum number of new Plenitude Shares to be issued by the Company under the Proposed Offer is 111,533,769 Plenitude Shares, representing approximately 29.2% of Plenitude's enlarged issued and paid-up ordinary share capital.

Please refer to Section 8.1 of this Circular for further details on the above.

2.4 Ranking of the Consideration Shares

The Consideration Shares shall, upon issue and allotment, rank *pari passu* in all respects with the then existing Plenitude Shares, save and except that the holders of such Consideration Shares shall not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is prior to the date of allotment of such Consideration Shares.

The Company will not issue fractions of a Consideration Share to the Accepting Holders. The entitlement of the Accepting Holders to the Consideration Shares will be rounded down to the nearest whole Consideration Share.

2.5 Listing of the Consideration Shares

The Consideration Shares will be listed on the Main Market of Bursa Securities, subject to *inter-alia*, the following approvals being obtained from:-

(i) the shareholders of the Company at an EGM to be convened for the issuance of the Consideration Shares; and

(ii) Bursa Securities for the listing and quotation of the Consideration Shares via its letter dated 22 April 2015 subject to the conditions as set out in Section 9 of this Circular.

2.6 Mode of satisfaction

If the Company deems the acceptance by an Accepting Holder to be complete and valid in all respects in accordance with the terms and conditions to be set out in the Offer Document, the Company shall issue, allot and credit the Consideration Shares to the Accepting Holder's securities account in the following manner:-

(i) where the valid acceptances are received during the period when the Offer is still conditional, settlement shall be within 14 days from the date the Offer becomes or is declared unconditional; or

(ii) where the valid acceptances are received during the period when the Offer has become or is declared unconditional, settlement shall be within 14 days from the date of receipt of valid acceptances.

2.7 Liabilities to be assumed by the Company

On the assumption that the Offer is successful and subsequently results in TNGB being a subsidiary of Plenitude, then all liabilities of the TNGB Group, including contingent liabilities and guarantees as disclosed in the latest audited accounts of TNGB for the FYE 31 December 2014 and those expected to be incurred in the ordinary course of business prior to completion of the Proposed Offer (if any), will be consolidated into the accounts of the Plenitude Group. None of such liabilities will however be legally assumed by the Plenitude Group. However, the liabilities will still subsist and remain the obligations of the respective companies within the TNGB Group.

The TNGB Group's liabilities, including contingent liabilities, as extracted from the latest audited consolidated financial statements of TNGB for the FYE 31 December 2014 are as follows:-

	<----Audited----> 31 December 2014 RM'000
LIABILITIES	
Non-current liabilities	
Bank borrowings	60,511
Deferred tax liabilities	12,233
Total non-current liabilities	**72,744**
Current liabilities	
Trade payables	2,070
Non-trade payables and accruals	10,670
Bank borrowings	8,400
Provision for taxation	813
Liabilities classified as held for sale	492
Total current liabilities	**22,445**
TOTAL LIABILITIES	**95,189**

Contingent liabilities

Contingent liabilities of the TNGB Group as at 31 December 2014 comprise:-

Contingent liabilities	Amount RM'000
Bank guarantee granted to supplier for services provided	655
	655

No contingent liability or other liability of the TNGB Group has become enforceable, or is likely to become enforceable within the period of 12 months after 31 December 2014 which, in the opinion of the directors of TNGB, will or may affect the ability of the TNGB Group to meet their obligations as and when they fall due.

2.8 Additional financial commitment required

The Company does not expect to incur any additional financial commitments to put the business of the TNGB Group on-stream as they are already operating entities on a going concern basis.

2.9 Other information

As at the LPD, the Company does not hold any TNGB Shares and has not received any irrevocable undertaking from any Holders to accept the Offer.

3. INFORMATION ON TNGB

The TNGB Group, a home-grown brand, is an integrated provider and operator of hotels, serviced residences and serviced offices aimed at savvy business and leisure travellers looking for professional, efficient and innovative working and living spaces.

Through its hotel segment, the TNGB Group owns the following hospitality assets:-

(i) Novotel Kuala Lumpur City Centre

Located in the heart of the city, Novotel Kuala Lumpur City Centre is an ACCOR managed hotel that is owned by TNGB. The hotel has 295 rooms and is in close proximity to Kuala Lumpur Convention Centre, PETRONAS Twin Towers, Suria KLCC and Pavilion Kuala Lumpur, all offering world-class businesses, shopping and dining avenues.

(ii) The Nomad SuCasa

The Nomad SuCasa, located on 'Embassy Row' of Jalan Ampang, Kuala Lumpur is a hotel with 180 suites of one and two spacious bedrooms furnished with fully equipped kitchen, dining area and lounge.

(iii) GLOW Penang

GLOW Penang is managed by Zinc | InVision Hospitality, and is located in the heart of Georgetown, Penang along Macalister Road. It features 131 modern guest rooms, Zest BAR-CAFÉ that serves a range of *a la carte* options throughout the day, 2 bars, a gymnasium and an outdoor swimming pool.

(iv) The Nomad Serviced Residences Bangsar

Strategically located within Kuala Lumpur's expatriates enclave of Bangsar, Kuala Lumpur, The Nomad Serviced Residences Bangsar has 66 units which are fully furnished with modern fittings and amenities. Surrounding the residences are a variety of restaurants and a string of amenities including shopping centres with supermarkets, medical facilities and more.

For the serviced offices segment, TNGB's brand of The Nomad Offices is currently established in six (6) key cities across Southeast Asia, namely Kuala Lumpur, Singapore, Ho Chi Minh City, Bangkok, Jakarta and Manila covering over 194,700 square feet of office space. All the Nomad Offices are located in central business districts with convenient access to public transportation and commercial centres.

(Source: TNGB's Annual Report 2013)

Further information on the TNGB Group's hospitality assets are as follows:-

	Novotel Kuala Lumpur City Centre	The Nomad SuCasa	GLOW Penang	The Nomad Bangsar
Location	No. 2, Jalan Kia Peng 50450 Kuala Lumpur	No. 222, Jalan Ampang 50450 Kuala Lumpur	No. 101, Jalan Macalister 10400 Pulau Pinang	No. 136, Jalan Ara Bangsar 59100 Kuala Lumpur
Tenure	Freehold	Freehold	Freehold	Freehold
Net lettable area (square feet)	124,571	127,206	35,255	84,642
Description	Land and hotel building	All Suite Hotel building	Land and hotel building	Land and serviced residences building
Approximate age of building	10 years	20 years	-[1]	21 years
Net book value (RM'000)	133,053	54,676	32,511	40,858

Note:-
(1) Not available.

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The serviced office business of TNGB is conducted through the wholly-owned subsidiaries of TNOSB, which in turn is a wholly-owned subsidiary of TNGB.

On 12 November 2014, TNGB announced the Proposed Disposal, whereby TNOSB had entered into a Framework Sale Agreement with Regus Asia Pacific Management Limited for the disposal of the assets and business of serviced offices for a total cash consideration of GBP4.25 million (equivalent to approximately RM22.3 million).

The Proposed Disposal is part of a rationalisation undertaken by the TNGB Group to focus and concentrate on its hotels and serviced residences business. The Proposed Disposal is expected to give rise to a gain before tax of approximately RM11.5 million or a gain of 5 sen per share for the TNGB Group.

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the first quarter of 2015.

(Source: TNGB's announcement to Bursa Securities dated 12 November 2014)

Please refer to Appendix I for further information on TNGB.

4. BASIS FOR ARRIVING AT THE TRANSACTION CONSIDERATIONS AND ISSUANCE OF CONSIDERATION SHARES

The share exchange ratio of one (1) new Plenitude Share for every two (2) TNGB Shares surrendered is arrived at after taking into consideration:-

(i) the market prices of Plenitude Shares and the resulting Implied Offer Price offered to the Holders of TNGB Shares and the resulting premium it effectively represents based on the market prices of TNGB. This point is further elaborated in Section 4.1 (i) below.

(ii) the historical market prices of TNGB Shares. Please refer to Section 4.1 (ii) below for further details.

The Issue Price of RM2.50 and the Offer Price of RM1.25 are merely nominal figures and do not imply the values to be paid / received by the parties to the Offer. The figures are presented to facilitate the share exchange ratio and to cater for any adjustments to be made to the share exchange ratio in the event of any Distribution that may be declared by Plenitude / TNGB *(please refer to Section 2.1(i))*. Therefore, the evaluation and consideration of the Offer should not be based solely on the Offer Price or the Issue Price of the Consideration Shares but rather in relative terms to one another.

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4.1 Market prices

(i) Effective premiums with respect to Implied Offer Prices

Taking into consideration the share exchange ratio of one (1) new Plenitude Share for every two (2) TNGB Shares surrendered, the Implied Offer Prices and the range of effective premiums over the reference market prices of TNGB Shares are illustrated as follows:-

	Plenitude Share Price	Share exchange ratio [(1)]	Implied Offer Prices [(2)]	TNGB Share Price	Effective premium over market price of TNGB Shares	
	RM	times	RM	RM	RM	%
Last traded price of Plenitude Shares on 27 February 2015, being the LTD	2.3200	0.5	1.1600	0.8300	0.3300	39.76
VWAP of Plenitude / TNGB Shares for the following periods up to and including the LTD						
• 5-day VWAP	2.3181	0.5	1.1591	0.8700	0.2891	33.22
• 1-month VWAP	2.2959	0.5	1.1480	0.8874	0.2606	29.36
• 3-month VWAP	2.2997	0.5	1.1499	0.9259	0.2240	24.19
• 6-month VWAP	2.7336	0.5	1.3668	0.9294	0.4374	47.06
• 1-year VWAP	2.8559	0.5	1.4280	0.9216	0.5064	54.94

(Source: Bloomberg)

Notes:-

(1) Denoted as the number of new Plenitude Share received for every Offer Share surrendered by the Accepting Holder, which is computed by dividing the Offer Price of RM1.25 each by the Issue Price of RM2.50 each.

(2) Computed by multiplying the respective reference market prices of Plenitude Shares with the share exchange ratio.

For illustration, Accepting Holders would receive more Plenitude Shares under the Offer as compared to swapping their investment from TNGB Shares to Plenitude Shares in the open market based on market prices (prior to the date of the Notice):-

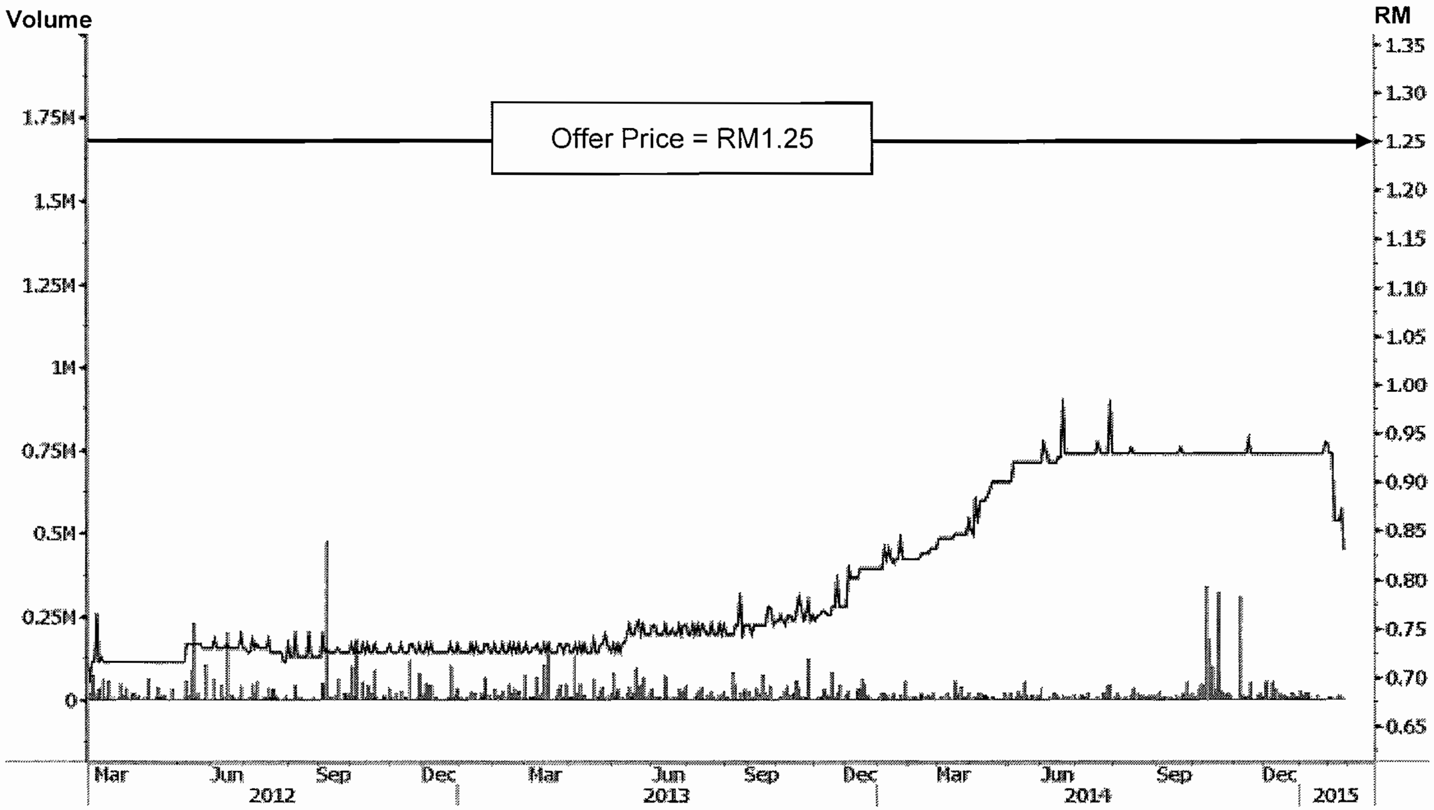
	Plenitude Share Price	TNGB Share Price	Illustrative no. of existing Plenitude Shares in exchange for every one (1) TNGB Share disposed [1]
Last traded price of TNGB Shares on 27 February 2015, being the LTD	2.3200	0.8300	0.3578
VWAP of Plenitude / TNGB Shares for the following periods up to and including the LTD			
• 5-day VWAP	2.3181	0.8700	0.3753
• 1-month VWAP	2.2959	0.8874	0.3865
• 3-month VWAP	2.2997	0.9259	0.4026
• 6-month VWAP	2.7336	0.9294	0.3400
• 1-year VWAP	2.8559	0.9216	0.3227
Number of Plenitude Share received for every one (1) TNGB Share surrendered by the Accepting Holders under the Offer			**0.5000**

(Source: Bloomberg)

Note:-
(1) *Computed by dividing the reference market prices of TNGB Shares by the corresponding reference market prices of Plenitude Shares.*

(ii) Historical market prices of TNGB Shares

The closing market prices of TNGB Shares *(ranging from the lowest of RM0.70 to the highest of RM0.98)* for the past three (3) years up to the LTD are shown in the chart below:-



(Source: Bloomberg)

There has not been any significant events or corporate exercises surrounding the TNGB Group relating to a change in its capital structure in the past three (3) years up to the LTD.

It is pertinent to note that TNGB Shares have not traded at or above the Offer Price since 2005 up to the LTD.

4.2 P/E multiple accorded to TNGB Shares

TNGB

Based on TNGB's EPS of 2.42 sen and 5.60 sen for the FYE 31 December 2013 and FYE 31 December 2014 respectively, the Implied Offer Price *(based on the 5-day VWAP of TNGB Shares up to and including the LTD)* represents the following P/E multiples:-

Implied Offer Price based on the 5-day VWAP of TNGB Shares up to and including the LTD	P/E multiples FYE 31 December 2013 (Audited)	P/E multiples FYE 31 December 2014 (Audited)
RM	times(1)	times(1)
1.1591	47.90	20.70

(Sources: Audited consolidated financial statements of TNGB for the FYE 31 December 2013 and FYE 31 December 2014)

Note:-

(1) The P/E multiples are derived by dividing the Implied Offer Price by the EPS of RM0.0242 and RM0.0560 for the FYE 31 December 2013 and FYE 31 December 2014 respectively.

Plenitude

Based on Plenitude's EPS of 28.81 sen and 32.46 sen for the FYE 30 June 2013 and FYE 30 June 2014 respectively, the 5-day VWAP of Plenitude Shares up to and including the LTD represents the following P/E multiples:-

5-day VWAP of Plenitude Shares up to and including the LTD	P/E multiples FYE 30 June 2013 (Audited)	P/E multiples FYE 30 June 2014 (Audited)
RM	times(1)	times(1)
2.3181	8.05	7.14

(Sources: Audited consolidated financial statements of Plenitude for the FYE 30 June 2013 and FYE 30 June 2014)

Note:-

(1) The P/E multiples are derived by dividing the Plenitude Share Price by the EPS of RM0.2881 and RM0.3246 for the FYE 30 June 2013 and FYE 30 June 2014 respectively.

As illustrated in the tables above, the Implied Offer Price for TNGB Shares *(based on the 5-day VWAP of TNGB Shares up to and including the LTD)* represents P/E multiples of 20.70 to 47.90 times, which are significantly higher than the P/E multiples of 7.14 to 8.05 times represented by the 5-day VWAP of Plenitude Shares up to and including the LTD. Hence, a significantly higher valuation is accorded to the Offer Shares relative to the Consideration Shares from the perspective of P/E valuation.

4.3 P/B multiple accorded to TNGB Shares

TNGB

Based on TNGB's NA per share of RM1.54 and RM1.61 for the FYE 31 December 2013 and FYE 31 December 2014 respectively, the Implied Offer Price *(based on the 5-day VWAP of TNGB Shares up to and including the LTD)* represents the following P/B multiples:-

Implied Offer Price based on the 5-day VWAP of TNGB Shares up to and including the LTD	P/B multiples FYE 31 December 2013 (Audited)	P/B multiples FYE 31 December 2014 (Audited)
RM	times(1)	times(1)
1.1591	0.75	0.72

(Sources: Audited consolidated financial statements of TNGB for the FYE 31 December 2013 and FYE 31 December 2014)

Note:-

(1) The P/B multiples are derived by dividing the Implied Offer Prices by the NA per share of RM1.54 and RM1.61 as at 31 December 2013 and 31 December 2014 respectively.

Plenitude

Based on Plenitude's NA per share of RM3.37 and RM3.63 for the FYE 30 June 2013 and FYE 30 June 2014 respectively, the 5-day VWAP of Plenitude Shares up to and including the LTD represents the following P/B multiples:-

5-day VWAP of Plenitude Shares up to and including the LTD	P/B multiples FYE 30 June 2013 (Audited)	P/B multiples FYE 30 June 2014 (Audited)
RM	times(1)	times(1)
2.3181	0.69	0.64

(Sources: Audited consolidated financial statements of Plenitude for the FYE 30 June 2013 and FYE 30 June 2014)

Note:-

(1) The P/B multiples are derived by dividing the Plenitude Share Price by the NA per share of RM3.37 and RM3.63 as at 30 June 2013 and 30 June 2014 respectively.

As illustrated in the tables above, the Implied Offer Price for TNGB Shares *(based on the 5-day VWAP of TNGB Shares up to and including the LTD)* represents P/B multiples of 0.72 to 0.75 times, which are higher than the P/B multiples of 0.64 to 0.69 times represented by the 5-day VWAP of Plenitude Shares up to and including the LTD. Hence, a higher valuation is accorded to the Offer Shares relative to the Consideration Shares from the perspective of P/B valuation.

4.4 Liquidity

The average trading volume of TNGB Shares and Plenitude Shares for the twelve (12) months from February 2014 to January 2015 *(being the last full trading month prior to the LTD)* is as follows:-

Month	TNGB		Plenitude	
	Monthly trading volume	Percentage over free float[(1)]	Monthly trading volume	Percentage over free float[(1)]
2014				
February	88,800	0.09	3,207,900	3.12
March	185,800	0.18	1,066,800	1.04
April	128,000	0.12	3,588,800	3.49
May	181,600	0.18	799,100	0.78
June	125,700	0.12	876,500	0.85
July	180,000	0.17	3,864,400	3.75
August	139,700	0.14	8,631,800	8.39
September	184,200	0.18	3,285,200	3.19
October	1,192,500	1.16	3,157,400	3.07
November	446,400	0.43	1,116,900	1.09
December	247,400	0.24	1,662,800	1.62
2015				
January	104,600	0.10	1,069,000	1.04
Simple average[(2)]	**267,058**	**0.27**	**2,693,883**	**2.62**

(Source: Bloomberg)

Notes:-

(1) *Free float is computed based on the total number of shares in issue less shares held by their substantial shareholders and the respective persons connected to them as at the end of the respective months.*

(2) *The simple average monthly trading volume or percentage over the free float is computed by dividing the total monthly trading volume or percentage over the free float by 12 months.*

The simple average monthly trading volume of TNGB Shares for the twelve (12) months from February 2014 to January 2015 *(being the last full trading month prior to the LTD)* was only 267,058 shares, representing approximately 0.27% of the free float of TNGB Shares, whereas the corresponding simple average monthly trading volume of Plenitude Shares was higher at 2,693,883 shares, representing approximately 2.62% of the free float of Plenitude Shares.

In view of the above, the Offer may provide an avenue for Accepting Holders to participate in the investment of securities that are relatively more liquid and should Accepting Holders wish to monetise their investment in such securities in the future, they may be able to do so more easily relative to their present position.

Moreover, with the issuance of up to 111,533,769 Consideration Shares, the Offer would increase Plenitude's issued and paid-up share capital from 270,000,000 Plenitude Shares as at the LPD to up to 381,533,769 Plenitude Shares. This may result in a larger market capitalisation and may lead to higher trading liquidity for Plenitude Shares. In turn, these will provide an avenue to attract more investors.

4.5 Other considerations

On top of the considerations set out above, the Plenitude Board has also considered, amongst others, the following:-

(i) the strategic objective and growth plans of the Plenitude Group in terms of expanding its hotel segment to diversify its earnings base and enhance its source of recurring income, as set out in Section 5 of this Circular;

(ii) the synergistic benefits that would be derived from the acquisition of the TNGB Group to complement the Plenitude Group's existing hotel segment where economies of scale can be achieved, as set out in Section 5 of this Circular;

(iii) the industry outlook and prospects of the tourism sector which is expected to positively benefit the hotel sector, as set out in Section 7.2 of this Circular; and

(iv) the future plans for the enlarged Plenitude Group as well as its prospects which are expected to be positive, as set out in Section 7.3 of this Circular.

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5. RATIONALE AND BENEFITS OF THE PROPOSED OFFER

The Proposed Offer represents an opportunity for the Company to expand its hotel segment in a bid to diversify its earnings base and enhance its source of recurring income. For the FYE 30 June 2014, the hotel segment, which is comprised solely of the Plenitude Group's Four Points by Sheraton Penang hotel, contributed approximately 4.13% of the Plenitude Group's total revenue. With the Company's recent acquisition of The Gurney Resort Hotel & Residences which was completed in March 2015, the revenue contribution from the hotel segment is expected to grow further.

Hence, in order to accelerate the growth of its hotel segment, Plenitude has identified the acquisition of existing hotels at suitable locations as the preferred strategy to drive its expansion plan. Through the acquisition of TNGB, Plenitude expects its hotel segment to be given a boost with the addition of TNGB's established stable of hotel and hospitality assets comprising:-

(i) a 295-room hotel known as Novotel Kuala Lumpur City Centre;

(ii) a 180-suite hotel known as The Nomad SuCasa;

(iii) a 131-room hotel known as GLOW Penang; and

(iv) a 66-suite serviced residences known as The Nomad Serviced Residences Bangsar.

Given that both of Plenitude's hotels are currently situated in Penang, the Offer enables Plenitude to tap into the hotel sector in Kuala Lumpur by virtue of TNGB's three (3) properties situated in Kuala Lumpur. As Kuala Lumpur and Penang are the major tourism hubs of Malaysia, the enlarged Plenitude Group would be in a better position to establish its presence in the hotel and hospitality industry in Malaysia with an enlarged stable of properties comprising two (2) hotels in Kuala Lumpur, three (3) hotels in Penang and a serviced residences in Kuala Lumpur.

Additionally, the enlarged Plenitude Group would be able to tap into the hotel management expertise of TNGB as well as enjoy the inherent advantages of economies of scale through a more effective and efficient deployment of resources. This can be achieved by, amongst others, the pooling of resources in hotel management, centralised procurement of goods and services as well as cross selling and cross branding opportunities. In the medium term, a larger scale would provide an opportunity to grow the "Nomad" brand further, as a larger pool of resources will be invested in branding and marketing activities, creating an avenue for the enlarged Plenitude Group to venture into the provision of hotel management services and franchising the "Nomad" brand for properties of third parties.

After evaluating various alternatives / instruments in respect of the consideration for the Offer Shares, the issuance of Consideration Shares was chosen to encourage acceptance under the Offer whereby the Accepting Holders would be able to:-

(i) retain their investment exposure to the existing assets of the TNGB Group;

(ii) extend their investment exposure to include the existing assets of the Plenitude Group, which comprise its portfolio of hotels, investment and development properties as well as land banks, amongst others; and

(iii) arising from the combination of (a) and (b) above, it allows their participation in the future growth prospects of the enlarged Plenitude Group.

Upon completion of the Offer and in the longer term, the shareholders of Plenitude are envisaged to benefit from the potential growth in revenue streams contributed by the hotel segment whilst still be able to reap the contributions from the property development segment, though relatively more cyclical in nature, via the Plenitude Group's existing land bank.

The issuance of Consideration Shares will allow Plenitude to avoid having to raise cash proceeds upfront via borrowings to satisfy the consideration under the Offer. For the purpose of the Offer, there will not be any immediate need for fundraising, be it from the existing shareholders, the capital markets and/or financial institutions in the form of borrowings.

Plenitude intends to obtain full control and de-list TNGB. Plenitude believes that operating TNGB as an unlisted company would provide it with greater flexibility to adopt longer-term planning consistent with longer-term investment horizons when formulating its growth, business, funding and operational strategies without the continuous need to incur costs to comply with the Listing Requirements.

In this connection, Plenitude will not take any steps to address any shortfall in the public shareholding spread requirement of TNGB which may arise pursuant to the Offer.

6. RISK FACTORS

The acquisition of TNGB is not expected to materially change the risk profile of the Plenitude Group as it is already in the hotel business. Specifically, the Plenitude Group, via its ownership of the Four Points by Sheraton Penang hotel and The Gurney Resort Hotel & Residences, is already exposed to the various risks inherent to the hotel industry including, amongst others, competition, sensitivity to any downturn in the tourism sector, business and operational risks and dependence on the overall outlook and performance of the retail sector.

Hence, the Plenitude Group will not assume any significant additional risks that have not already been factored into its hotel operations and prospects prior to the proposed acquisition of TNGB.

The following are risks that may arise in relation to the Proposed Offer:-

6.1 Completion risk

The Offer is conditional upon, amongst others, the Company achieving the Acceptance Condition by the close of the Offer. Although the closing date of the Offer may be extended by the Company, such extensions are subject to the statutory requirements of the Code. In the event the Acceptance Condition is not met by the latest closing date as permissible under the Code, the Offer shall lapse and all acceptances shall be returned to the Holders who have accepted the Offer.

Nevertheless, the Plenitude Board is of the belief that the terms of the Offer are attractive to the Holders due to the reasons set out in Sections 4, 5 and 7 of this Circular.

6.2 Acquisition risk

Given the nature of the Offer, the Company has only conducted a limited due diligence review of the assets and liabilities of the TNGB Group based on publicly available information. Accordingly, the TNGB Group may have incurred certain liabilities which may be unknown to the Company (and even to the TNGB Group), which may have a material adverse effect on the financial and operating conditions of the TNGB Group.

Notwithstanding the above, by being listed on the Main Market, TNGB falls under the scrutiny of regulators such as Bursa Securities as well as the SC. Hence, TNGB is expected to adhere to the rules and regulations as well as disclosure standards governed by the Listing Requirements and other applicable laws.

Given the above, it is reasonable to expect that all material liabilities (including contingent liabilities) of the TNGB Group would have already been disclosed in its audited financial statements, announcements on quarterly financial results as well as other public documents issued or general announcements released by TNGB.

6.3 Failure to achieve the expected benefits

Although the Proposed Offer, if successful, is expected to contribute positively towards the Plenitude Group, there is no assurance that the anticipated synergistic benefits as described in Sections 5 and 7 of this Circular will be realised. Moreover, there is no assurance that the TNGB Group will be able to contribute sufficiently to the earnings of the enlarged Plenitude Group in the future to offset the associated acquisition costs in relation to the Offer.

One of the key factors in determining whether the said synergistic benefits can be achieved is the retention of the TNGB Group's key management staff and the orderly integration of human capital resources within the enlarged Plenitude Group. To this end, the Company plans to actively engage, after completion of the Offer, in a comprehensive review of the existing human resource policies of the TNGB Group which may include streamlining compensation schemes, talent pool management, recruitment and succession planning. Such proactive actions would minimize the uncertainties faced by existing employees of the TNGB Group and therefore allow for a smoother transition period.

Another key factor is the extent to which the hotel operations of the Plenitude Group and TNGB Group can be smoothly integrated in order to achieve the desired economies of scale. These areas include the centralised procurement of goods and services, cross selling and cross branding opportunities as well as consolidation of quality standards across all hotels, amongst others. An integration committee will be formed to conduct a thorough review as soon as after the Offer is completed to devise the best ways to integrate the operations of the enlarged hotel segment as smoothly as possible with minimal impact to day-to-day operations.

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7. INDUSTRY OUTLOOK AND PROSPECTS

7.1 Outlook and prospects of the Malaysian economy

The Malaysian economy expanded strongly by 5.8% during the fourth quarter of 2014 (Q3 2014:5.6%). For the whole of 2014, growth was 6% (2013:4.7%), achieving the upper bound target of 5.5%-6%. Growth was supported by domestic demand, in particular private consumption and investment. On the supply side, all sectors registered a positive growth, except for the agriculture sector which contracted due to lower palm production. In tandem with the private consumption, the services increased strongly by 6.4% (Q3 2014: 6.2%) led by wholesale and retail, finance and insurance as well as communications subsectors. The manufacturing sector grew by 5.2% (Q3 2014:5.4%). The accommodation and restaurant subsector expanded further by 7.2% (Q3 2014:5.7%) attributed to higher growth in the restaurant and accommodation segments which recorded 8.7% and 2.6% respectively (Q3 2014: 6.9%; 2.4%). The construction sector registered a steady growth of 8.7% during the fourth quarter of 2014 following strong momentum of the non-residential and residential subsectors. The residential subsector increased by 14.9% (Q3 2014: 18.6%) mainly due to higher housing construction amid favourable economic and business conditions as well as rising household income. During the quarter, the total value of construction works expanded 9.7% to RM27.1 billion with residential building subsector contributing 29.7% of the growth.

(Source: Malaysian Economy Fourth Quarter 2014-Ministry of Finance)

The Malaysian economy recorded a stronger growth of 6.0% in 2014 (2013: 4.7%). Growth was driven by the continued strength in private domestic demand, and further lifted by the improvement in external trade performance. In particular, net exports turned around to contribute positively to growth in 2014 after seven (7) consecutive years of negative contribution, as Malaysia's exports benefitted from the recovery in the advanced economies and continued demand from the region. This was reflected in a broad-based improvement in demand across markets and products, including the electrical and electronics (E&E) products. As the growth of real exports of goods and services outpaced the growth of imports, net exports recorded a strong growth of 19.7% in 2014 (2013: -12.6%) and contributed 1.4 percentage points to the overall gross domestic production (GDP) growth.

On the supply side, all economic sectors recorded higher growth in 2014. The services sector remained the largest contributor to growth, underpinned largely by sub-sectors catering to domestic demand. The stronger performance of the export-oriented industries and the expansion in domestic-oriented industries contributed to the strong growth in the manufacturing sector during the year. The construction sector continued to expand at a double-digit rate, owing mainly to stronger growth in both the residential and non-residential sub-sectors, with further support from the infrastructure projects under the civil-engineering sub-sector.

(Source: BNM's Annual Report 2014)

7.2 Outlook and prospects of the tourism sector

The accommodation and restaurant subsector expanded 5.9% during the first half of 2014 (January – June 2013: 5.7%) on account of higher tourism-related activities and restaurant dining. Growth of the subsector was also reflected in the total supply of hotel rooms which rose 3.8% to 197,030 as at end-June 2014 (end-June 2013: 5.4%; 199,843), with Kuala Lumpur continuing to contribute the highest share at 17.4% (end-June 2013: Kuala Lumpur; 17.1%). In 2014, the accommodation and restaurant subsector is expected to grow 6.1% (2013: 5.7%) supported by higher tourist arrivals and receipts in conjunction with Visit Malaysia Year (VMY) 2014.

Malaysia is celebrating its fourth VMY in 2014 with the theme "Celebrating 1Malaysia Truly Asia" to promote Malaysia's unique heritage, attractions and cultures. During the first five months of 2014, the number of tourist arrivals rose 10.1% to 11.5 million (January – May 2013: 10.9%; 10.5 million), despite some drop in tourists from China following the unfortunate MH370 incident in March 2014. The top three tourist arrivals were from Singapore (5.8 million), Indonesia (1.1 million) and China (0.7 million). Meanwhile, Malaysia remains a favourite holiday destination among Muslim tourists, with arrivals increasing 9.4% to 2.2 million during the first five months of 2014 (January – May 2013: 9.3%; 2 million). In this regard, Malaysia's ranking as the world's top halal-friendly holiday destination and the world's second halal-friendly shopping destination has helped to draw in Muslim tourists.

During the first seven months of 2014, the Malaysia My Second Home (MM2H) programme attracted 1,958 participants (January – July 2013: 1,509), mainly from China (49%), Japan (12%) and Bangladesh (9%). In the Meetings, Incentives, Conventions and Exhibitions (MICE) industry, the number of visitors is expected to reach 196,708 from 298 events, generating RM1.5 billion receipts in 2014 (2013: 131,786; 274; RM1 billion). Malaysia is expected to attract 28 million tourists in 2014, generating RM76 billion receipts (2013: 25.7 million; RM65.4 billion) benefiting from a series of year-long special events and festivals as well as attractive promotional campaigns and tour packages.

(Source: Economic Performance and Prospects, Economic Report 2014/2015, Ministry of Finance Malaysia)

In conjunction with Malaysia – Year of Festivals 2015, the Government is targeting 29.4 million foreign tourist arrivals with expected income of RM89 billion. For this, RM316 million is allocated for various programmes under Ministry of Tourism and Culture.

(Source: Budget 2015)

In 2014, Malaysia recorded 27,437,315 tourist arrivals; a growth of 6.7% compared to 2013.

(Source: Tourism Malaysia and the Immigration Department)

The direct contribution of Travel & Tourism to GDP in 2013 was MYR70.4bn (7.2% of GDP). This is forecast to rise by 7.0% to MYR75.3bn in 2014.This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists.

The total contribution of Travel & Tourism to GDP (including wider effects from investment, the supply chain and induced income impacts) was RM158.2 billion in 2013 (16.1% of GDP) and is expected to grow by 6.8% to RM168.9 billion (16.4% of GDP) in 2014.

(Source: Travel & Tourism Economic Impact 2014 Malaysia)

7.3 Future plans for and prospects of the enlarged Plenitude Group

(i) Continuation of the TNGB Group's business

The Company intends to continue with the existing business of the TNGB Group. TNGB will be maintained as a separate subsidiary, parallel with the other operating companies within the Plenitude Group. In this respect, and due to the strength of the "Nomad" brand, the Company intends to maintain the "Nomad" brand as a separate brand under its stable of hotels.

Notwithstanding the above, upon the successful completion of the Offer, the Company will form an integration committee to, amongst others, review the business operations of the TNGB Group in order to extract synergistic and complementary benefits in areas such as, centralised procurement of goods and services, streamline processes to improve operational efficiency and effectiveness, pool resources to enhance performance results. In turn, this will create value and improve the prospects for future growth of the TNGB Group.

(ii) No major changes to the TNGB Group's business

The Company has no plans or intention to introduce or effect any major change in the structure of the TNGB Group, or dispose or re-deploy major assets of the TNGB Group, other than those previously announced by TNGB prior to the date of the Notice.

Notwithstanding the above, a redeployment of assets or disposal of non-core assets may be necessary as part of the rationalisation of the business activities and/or directions of the TNGB Group to remain competitive within the industry, improve the utilisation of resources and extract synergistic benefits.

Nevertheless, there are no plans formulated as yet at this juncture, and such intention will only crystallise after the Company has conducted a detailed review of the financial position and operations of the TNGB Group upon successful completion of the Offer. Notwithstanding that, the Company does not have any plans or intention to liquidate the TNGB Group.

(iii) Employees of the TNGB Group

The Company has no plan to dismiss or make redundant employees of the TNGB Group as a direct consequence of the Offer. Any change with regards to staff employment may take place as a result of any rationalisation and/or streamlining of the business activities and/or to further improve efficiency and effectiveness of the operations of the TNGB Group and to facilitate the sharing of knowledge and best practices. In any event, such change will be conducted in accordance with the relevant legislation and the terms of employment of the affected employees.

(iv) Prospects of the enlarged Plenitude Group

The total revenue for the Plenitude Group for the FYE 30 June 2014 and the 6-month FPE 31 December 2014 based on its key business segments are set out in the table below:-

	<----Audited---->	<----Unaudited---->
	30 June 2014 RM'000	Six (6)-month FPE 31 December 2014 RM'000
Segmental revenue		
Property development	297,088	119,995
Hotel operations	12,799	9,556
Investment holding and others	37,673	2,478
Elimination (inter-segment sales)	(37,673)	(2,498)
Total revenue	**309,887**	**129,531**

For the six (6)-month FPE 31 December 2014, the Plenitude Group achieved revenue of approximately RM129.53 million with contributions mainly from the property development segment of RM120.00 million and the hotel operations segment of RM9.56 million. The Group achieved profit before tax of RM57.36 million and EPS of 15.7 sen.

The key property development segment contributors are derived from the various ongoing property development activities carried out at Taman Desa Tebrau in Johor, Taman Putra Prima in Selangor, The Marin Condominium at Bayu Ferringhi in Penang and Bandar Perdana and Lot 88 in Kedah. These projects will be the main revenue and profit contributors to the Group for the FYE 30 June 2015. Contributions from the hotel operations segment were from the Four Points by Sheraton Penang.

For the FYE 30 June 2015, the property development segment from these ongoing projects will remain the key contributors whilst with the completion of the acquisition of The Gurney Resort Hotel & Residences in March 2015, the hotel operations will have an added source of contribution to the revenue of the Group beside the Four Points by Sheraton Penang.

Should the Offer be successful, with the existing hotel and hospitality assets of the TNGB Group remaining intact, the Plenitude Board will form an integration committee comprising of key management personnel of the Company and the TNGB Group to review and implement measures, amongst others, the business plan with a focus on driving revenue and contribution growth, best practices and standard operating policies to enhance risk and internal controls management and areas of the operations that could be shared for productivity and cost savings gains. With the combined human capital strength, upon the completion of the Offer, the management will focus to extract synergistic benefits to achieve economies of scale in certain areas which will translate into improved effectiveness in the deployment of resources.

Following the successful Offer, the enlarged Plenitude Group would have a combined total of five (5) hotels and one (1) serviced residences in its stable of hotel and hospitality assets situated at prime locations in Penang and Kuala Lumpur. In addition to a larger stable of assets, the enlarged Plenitude Group would benefit from a larger pool of resources being invested in branding and marketing activities as well as for general refurbishments / maintenance and working capital, given the improved financial position of the enlarged Plenitude Group.

This will bode well for the funding requirements for upgrading and refurbishing programs in the future to position the properties to be relevant in the competitive market place for retention and expansion of its customer base.

Among the initiatives the management will seek to implement include the centralised procurement of goods and services as well as the sharing of knowledge and best practices in policies and processes, sales and marketing activities and other shared internal services across all the hotel properties.

Further, cross-selling opportunities will be pursued to leverage on the existing customer base of the TNGB Group and the Plenitude Group.

Upon the successful implementation of the initiatives and with the benefits of the necessary learning and experience curve, the management will explore venturing into the provision of hotel management services and franchising the "Nomad" brand for properties of third parties in the future, creating an additional revenue stream to the enlarged Plenitude Group.

With the increased scale and the pooling of financial as well as human capital resources through the merger, the enlarged Plenitude Group would be able to better reinforce its reputation and enhance its position in both the real estate sector as well as the hospitality and tourism sector in Malaysia.

Premised on the above factors against a backdrop of positive economic indicators, and barring any unforeseen circumstances, the enlarged Plenitude Group expects to achieve a satisfactory performance particularly in the hotel operations segment in the FYE 30 June 2016 as the Offer is expected to be completed in the fourth quarter of FYE 30 June 2015.

(Source: Management of Plenitude)

8. EFFECTS OF THE PROPOSED OFFER

Assuming that the Offer is successful and all Holders accept the Offer, the effects of the Proposed Offer are as follows:-

8.1 Issued and paid-up share capital

As at the LPD, the authorised, issued and paid-up share capital of the Company are as follows:-

	Par value RM	No. of ordinary shares	RM
Authorised	1.00	500,000,000	500,000,000
Issued and paid-up	1.00	270,000,000	270,000,000

The pro forma effects of the Proposed Offer on the issued and paid-up share capital of the Company are as follows:-

	No. of ordinary shares	RM
Issued and paid-up share capital as at the LPD	270,000,000	270,000,000
Consideration Shares to be issued under the Offer	111,533,769	111,533,769
Enlarged issued and paid-up share capital	381,533,769	381,533,769

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8.2 NA and gearing

The pro forma effects of the Proposed Offer on the NA and gearing of the Plenitude Group are as follows:-

	Audited as at 30 June 2014 RM'000	After subsequent event[1] RM'000	After the Proposed Offer RM'000
Share capital	270,000	270,000	381,534
Share premium	-	-	[2]166,300
Retained earnings	710,540	[1]694,340	774,998
Shareholders' equity / NA	**980,540**	**964,340**	**1,322,832**
No. of Plenitude Shares in issue ('000)	270,000	270,000	381,534
NA per Plenitude Share (RM)	3.63	3.57	3.47
Total borrowings	-	-	[4]68,911
Gearing ratio (times)	N/A	N/A	0.05

Notes:-

(1) *After adjusting for the payment of final dividend in respect of the FYE 30 June 2014 of 6 sen per share amounting to RM16.2 million on 14 November 2014.*

(2) *This was computed by deriving the difference between the Issue Price of RM2.50 and the par value of the Plenitude Shares of RM1.00 each, multiplied by 111,533,769 Consideration Shares, and deducting RM1.0 million being estimated expenses relating to the Offer which will be charged to the share premium account.*

(3) *Pursuant to the Offer, TNGB will become a wholly-owned subsidiary of Plenitude and all liabilities of the TNGB Group will be consolidated into the accounts of the Plenitude Group. Hence, this represents the total borrowings of the TNGB Group based on the audited consolidated statement of financial position of TNGB as at 31 December 2014.*

Upon completion of the Offer, an exercise will be undertaken to allocate the acquisition consideration under the Offer to the assets and liabilities of the TNGB Group in accordance with their respective fair values in accordance with the Malaysian Financial Reporting Standards. The pro forma effects illustrated above have not taken into consideration any fair value adjustments in respect of the assets and liabilities of the TNGB Group to be acquired.

Please refer to Appendix III for further details on the above.

8.3 Earnings and EPS

The Proposed Offer is not expected to have any material effect on the Plenitude Group's earnings and EPS for the current FYE 30 June 2015 as the Proposed Offer is expected to be completed in the fourth quarter of FYE 30 June 2015.

Moving forward, the Proposed Offer is expected to result in the consolidation of the financial results of the TNGB Group with the Plenitude Group upon fulfilment of the Acceptance Condition. The actual effect of the Proposed Offer on the Plenitude Group's EPS would depend on the actual level of acceptance above the Acceptance Condition achieved under the Offer as it would have an impact on the enlarged number of Plenitude Shares in issue.

For illustrative purposes, based on the Company's latest audited consolidated financial statements for the FYE 30 June 2014 *(on the assumption that the Proposed Offer was completed at the beginning of the FYE 30 June 2014)*, and the audited PAT of TNGB of RM12.50 million for its FYE 31 December 2014 which is assumed to be consolidated together with the financial results of the Company for the FYE 30 June 2014 *(assuming the entire PAT of TNGB of RM12.50 million are post-acquisition profits, i.e. after the assumed completion date of 1 July 2013)*, the pro forma effects are as follows:-

Group Level	Audited as at 30 June 2014 RM'000	After the Proposed Offer RM'000
Actual / pro forma PAT	87,646	100,145
No. of Plenitude Shares in issue ('000)	270,000	381,534
Actual / pro forma EPS (sen)	32.46	26.25

Note:-
The pro forma effects illustrated herein have not taken into account any adjustments to be made with respect to the differing financial periods as the FYE of TNGB is 31 December whereas the FYE of Plenitude is 30 June.

Notwithstanding the immediate dilutive effects on the EPS of the Plenitude Group arising from the issuance of Consideration Shares, the Proposed Offer is expected to contribute positively to the overall earnings of the enlarged Plenitude Group in the future as and when the benefits and prospects as set out in Sections 5 and 7 of this Circular materialise.

8.4 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Offer on the substantial shareholders' shareholdings of Plenitude based on the Register of Substantial Shareholders as at the LPD are as follows:-

Substantial shareholders	As at LPD				After the Proposed Offer			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Ikatanbina Sdn Bhd	122,824,726	45.49	-	-	122,824,726	32.19	-	-
Fields Equity Management Ltd	52,881,780	19.59	-	-	52,881,780	13.86	-	-
En Primeurs Sdn Bhd	20,897,138	7.74	-	-	20,897,138	5.48	-	-

As at the LPD, the Company does not have any outstanding convertible securities.

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9. APPROVALS REQUIRED AND CONDITIONALITY

The Proposed Offer is subject to approvals being obtained from:-

(i) Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities, which was obtained on 22 April 2015; and

(ii) the shareholders of Plenitude at the forthcoming EGM.

In relation to item (i) above, the approval of Bursa Securities is subject to, amongst others, the following conditions:-

(a) Plenitude and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Offer;

(b) Plenitude and Mercury Securities to inform Bursa Securities upon the completion of the Proposed Offer; and

(c) Plenitude to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Offer is completed.

The Proposed Offer is not conditional upon any other corporate exercise / scheme being undertaken or proposed to be undertaken by the Company.

10. TENTATIVE TIMELINE

Barring any unforeseen circumstances, the Proposed Offer is expected to be completed in the second quarter of 2015. The tentative timetable for the Proposed Offer is as follows:-

Date	Events
21 May 2015	EGM for the Proposed Offer
27 May 2015	First Closing Date of the Offer (unless extended by Plenitude)
June 2015	Issuance of Consideration Shares to Accepting Holders

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors and major shareholders of Plenitude and/or persons connected to them have any interest, direct and/or indirect, in the Proposed Offer.

12. PLENITUDE BOARD'S RECOMMENDATION

The Plenitude Board, having considered all aspects of the Proposed Offer, including but not limited to the rationale and benefits of the Proposed Offer, the future plans and prospects of the enlarged Plenitude Group as well as the effects of the Proposed Offer, and after careful deliberation, is of the opinion that the Proposed Offer is in the best interests of the Company.

Accordingly, the Plenitude Board recommends that you vote in favour of the resolution pertaining to the Proposed Offer to be tabled at the forthcoming EGM.

13. EGM

The EGM, the notice of which is enclosed with this Circular, will be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 21 May 2015 at 3.00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing the resolution, with or without any modifications, to give effect to the Proposed Offer.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the registered office of the Company not less than 48 hours before the time set for holding the EGM or any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

14. FURTHER INFORMATION

You are requested to refer to the enclosed appendices for further information.

Yours faithfully,
For and on behalf of the Board
PLENITUDE BERHAD

CHUA ELSIE
Executive Chairman

INFORMATION ON TNGB

Information relating to the TNGB Group in this Appendix I has been obtained from publicly available sources. The sole responsibility of the Plenitude Board is limited to ensuring that such information has been accurately reproduced herein.

1. HISTORY AND BUSINESS

TNGB was incorporated in Malaysia under the Act on 7 April 1997 as a private limited company under the name of Awan Bahagia Sdn Bhd and had thereafter changed its name to Kuala Lumpur City Corporation Sdn Bhd on 27 June 1997. Subsequently, it had on 22 September 1997 converted into a public limited company and changed its name to Kuala Lumpur City Corporation Berhad. The company adopted its current name on 15 April 2008. Effectively, TNGB was listed on the Second Board of the Kuala Lumpur Stock Exchange on 10 June 1998 via a rationalisation exercise *(involving UCM Industrial Corporation Berhad that was listed since 15 April 1992)* and was thereafter transferred to the Main Board of the Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities) where it remains listed since 18 August 1999.

TNGB is principally involved in investment holding. Through its wholly-owned subsidiaries, TNGB is involved in the management and operation of hotels, serviced residences and serviced offices.

Further information on TNGB's subsidiaries is set out in Section 5 of this Appendix I.

2. SHARE CAPITAL

The authorised, issued and paid-up share capital of TNGB are as follows:-

	Par value RM	No. of ordinary shares	RM
Authorised	1.00	500,000,000	500,000,000
Issued and paid-up	1.00	223,067,538	223,067,538

(Source: Analysis of Shareholdings as at 27 March 2014 as extracted from TNGB's Annual Report 2013)

As at the LPD, TNGB does not have any outstanding convertible securities.

3. SUBSTANTIAL SHAREHOLDERS

The shareholders of TNGB holding 5% or more of the issued and paid-up share capital and their respective shareholdings in TNGB are as follows:-

Name	Place of incorporation	Direct Interest		Indirect interest	
		No. of shares	%	No. of shares	%
Zheijang Properties Sdn Bhd	Malaysia	31,751,408	14.23	-	-
Kemudi Ria Sdn Bhd	Malaysia	22,347,828	10.02	-	-
Permatang Maju (M) Sdn Bhd	Malaysia	20,000,000	8.97	-	-
Northside Plantations Sdn Bhd	Malaysia	14,540,636	6.52	-	-
WT Overseas Ltd	Singapore	11,495,755	5.15	-	-

(Source: Analysis of Shareholdings as at 27 March 2014 as extracted from TNGB's Annual Report 2013 and announcements on Bursa Securities)

4. DIRECTORS

The directors of TNGB and their shareholdings are as follows:-

Name / Designation	Nationality	Age	Direct Interest		Indirect interest	
			No. of shares	%	No. of shares	%
Datuk Mohd Nasir bin Ali *(Independent Non-Executive Chairman)*	Malaysian	57	10,000	(1)-	-	-
Loh Yeow Boo *(Senior Independent Non-Executive Director)*	Malaysian	66	-	-	-	-
Josephine Premla Sivaretnam *(Non-Independent Non-Executive Director)*	Malaysian	60	19,200	0.01	-	-
Tee Kim Chan *(Independent Non-Executive Director)*	Malaysian	61	-	-	-	-

(Source: Analysis of Shareholdings as at 27 March 2014 as extracted from TNGB's Annual Report 2013)

Note:-
(1) Negligible.

5. SUBSIDIARIES

The details of the subsidiaries of TNGB are as follows:-

Name of subsidiaries	Place of incorporation	Effective equity interest %	Principal activities
Subsidiaries held by TNGB			
The Nomad Hotel Management Sdn Bhd	Malaysia	100	Provision of hotel management and consultancy services
The Nomad Residences Sdn Bhd ("**TNRSB**")	Malaysia	100	Investment holding
Nomad Properties Sdn Bhd ("**NPSB**")	Malaysia	100	Investment holding
Nomad International Sdn Bhd	Malaysia	100	Investment holding
The Nomad Offices Sdn Bhd ("**TNOSB**")	Malaysia	100	Investment holding
The Nomad Offices Asia Sdn Bhd	Malaysia	100	Investment holding

INFORMATION ON TNGB *(Cont'd)*

Name of subsidiaries	Place of incorporation	Effective equity interest %	Principal activities
Subsidiaries held by TNRSB			
The Nomad Bangsar Sdn Bhd	Malaysia	100	Operator of serviced residences
The Nomad Sucasa Sdn Bhd	Malaysia	100	Hotelier and operator of All Suite-Hotel
The Nomad Penang Sdn Bhd	Malaysia	100	Provision of hotel management and consultancy services
City Centre Hotel Sdn Bhd	Malaysia	100	Hotelier and hotel related services
Subsidiaries held by TNOSB			
Nomad Space Sdn Bhd	Malaysia	100	Operator of serviced offices
The Nomad Offices Pte Ltd ("**TNOPL**")	Singapore	100	Operator of serviced offices and investment holding
Nomad Space (Thailand) Co Ltd	Thailand	100	Operator of serviced offices and investment holding
Subsidiaries held by TNOPL			
Central Offices Pte Ltd	Singapore	100	Operator of serviced offices
The Nomad Offices (Vietnam) Co Ltd	Vietnam	100	Managing of serviced offices and related services
The Nomad Offices (Philippines) Inc	Philippines	100	Operator of serviced offices
The Nomad Offices (Thailand) Co Ltd	Thailand	100	Operator of serviced offices and investment holding
Instant Office Holdings Pte Ltd	Singapore	100	Investment holding
Bizcentre Capital Pte Ltd	Singapore	100	Investment holding
PT Concept Kreativ	Indonesia	100	Operator of serviced offices
PT The Nomad Offices Indonesia	Indonesia	100	Inactive
Subsidiary held by NPSB			
The Nomad Hotel Penang Sdn Bhd	Malaysia	100	Hotelier and hotel related services

(Source: Audited consolidated financial statements of TNGB for the FYE 31 December 2014)

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the TNGB Group based on the audited consolidated financial statements of TNGB for the FYEs 31 December 2012, 31 December 2013 and FYE 31 December 2014 are as follows:-

	Audited FYE 31 December		
	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	76,173	76,291	56,523
Other income	3,910	11,918	4,118
Employee benefits	(16,660)	(21,007)	(16,086)
Depreciation and amortisation	(12,622)	(12,668)	(8,698)
Other expenses	(41,449)	(40,821)	(21,206)
Profit from operations	9,352	13,713	14,651
Finance income	645	335	121
Finance costs	(4,559)	(4,428)	(4,354)
Share in results of an associate company	(528)	(1,265)	-
(Impairment)/Reversal of impairment of investment in an associate company	-	(1,128)	-
PBT	4,910	7,227	10,418
Income tax expense	(2,633)	(1,838)	(2,012)
PAT from continuing operations	2,277	5,389	8,406
PAT from discontinued operations	-	-	4,093
PAT attributable to equity holders of the Company	2,277	5,389	12,499
Operating profit margin (%)	12.28	17.97	25.92
Net profit margin (%)	2.99	7.06	(2)14.87
Earnings before interest, taxation, depreciation and amortisation	21,960	24,454	23,470
Weighted average number of TNGB Shares in issue ('000)	223,068	223,068	223,068
Basic EPS (sen)	1.02	2.42	5.60
Shareholders' fund / NA	345,309	343,713	359,492
Number of issued and paid-up ordinary shares ('000)	223,068	223,068	223,068
NA per TNGB Share (RM)	1.55	1.54	1.61
Gross dividend per TNGB Share (sen)(1)	2.0	5.0	-

Notes:-
(1) Based on the dividends declared in respect of the respective FYEs.
(2) Based on revenue and PAT from continued operations only.

Commentaries:-

(1) FYE 31 December 2014

The TNGB Group's revenue for the FYE 31 December 2014 decreased by 26% to RM56.5 million due to reclassification of RM24.3 million revenue contributed from discontinued operations of serviced offices. Net profit increased by RM7.1 million to RM12.5 million due to the gain on disposal of property, plant and equipment of the discontinued operations of serviced offices of RM13.8 million.

(Source: Audited consolidated financial statements of TNGB for the FYE 31 December 2014)

(2) FYE 31 December 2013

The TNGB Group's revenue for FYE 31 December 2013 was RM76.3 million, a marginal increase compared to 2012. Notwithstanding the marginal increase in revenue, net profit increased by 137% to RM5.4 million from RM2.3 million due to an extraordinary item, which is the sale of its office building in Jakarta, Indonesia during the year.

(Source: TNGB's Annual Report 2013)

(3) FYE 31 December 2012

The TNGB Group's revenue for FYE 31 December 2012 was RM76.2 million, a marginal reduction of 1% compared to RM76.9 million in 2011, whilst net profit decreased by 62% to RM2.3 million from RM6.1 million. The decrease is mainly due to the preopening costs and gestation period of the three (3) new serviced offices opened and a hotel in Penang that was acquired during the year.

(Source: TNGB's Annual Report 2012)

(4) FYE 31 December 2011

Revenue rose 10% to RM76.9 million in FYE 31 December 2011 from RM70.0 million in the previous year while net profit increased 68% to RM6.1 million from RM3.6 million. EPS jumped to 2.75 sen per share from 1.64 sen per share in the previous year. The TNGB Group's pre-tax profit for the 12 months ended 31 December 2011 of RM7.7 million was 99% higher than previous year's RM3.8 million, due to the improved performance of all business units.

(Source: TNGB's Annual Report 2011)

There is no audit qualification for the financial statements in any of the financial years under review.

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7. STATEMENT OF ASSETS AND LIABILITIES

The statement of assets and liabilities of the TNGB Group based on the audited consolidated statements of financial position of TNGB as at 31 December 2012, 31 December 2013 and 31 December 2014 are as follows:-

	<------------------Audited------------------>		
	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	289,721	295,584	276,810
Investment in an associate	25,319	-	-
Other investments	91	91	-
Other receivables	5,013	4,997	-
Goodwill	11,994	12,134	7,949
	332,138	**312,806**	**284,759**
Current assets			
Inventories	213	373	369
Trade receivables	2,866	2,615	2,512
Non-trade receivables, deposits and prepayments	2,458	2,653	13,032
Tax recoverable	1,542	151	79
Other investments	57,363	98,489	118,420
Cash and bank balances	35,362	20,509	35,126
Assets classified as held for sale	24,111	18,484	384
	123,915	**143,274**	**169,922**
TOTAL ASSETS	**456,053**	**456,080**	**454,681**
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital	223,068	223,068	223,068
Reserves	122,241	120,645	136,424
TOTAL EQUITY	**345,309**	**343,713**	**359,492**

INFORMATION ON TNGB *(Cont'd)*

	<---------------------Audited--------------------->		
	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2014 RM'000
LIABILITIES			
Non-current liabilities			
Bank borrowings	70,019	68,525	60,511
Deferred tax liabilities	12,682	11,653	12,233
Total non-current liabilities	**82,701**	**80,178**	**72,744**
Current liabilities			
Trade payables	2,136	4,891	2,070
Non-trade payables and accruals	19,032	19,807	10,670
Bank borrowings	6,825	7,150	8,400
Provision for taxation	50	341	813
Liabilities classified as held for sale	-	-	492
Total current liabilities	**28,043**	**32,189**	**22,445**
TOTAL LIABILITIES	**110,744**	**112,367**	**95,189**
TOTAL EQUITY AND LIABILITIES	**456,053**	**456,080**	**454,681**
Current ratio (times)	**4.42**	**4.45**	**7.57**
Gearing ratio (times)	**0.22**	**0.22**	**0.19**

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8. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

The following were extracted from the latest audited consolidated financial statements of the TNGB Group for the FYE 31 December 2014:-

Material commitments

There were no material commitments not provided for in the latest audited consolidated financial statements as at 31 December 2014.

Contingent liabilities

Contingent liabilities	Amount RM'000
Bank guarantee granted to supplier for services provided	655
	655

No contingent liability or other liability of the TNGB Group has become enforceable, or is likely to become enforceable within the period of 12 months after 31 December 2014 which, in the opinion of the directors of TNGB, will or may affect the ability of the TNGB Group to meet their obligations as and when they fall due.

9. MATERIAL LITIGATION

Based on the latest audited consolidated financial statements of the TNGB Group for the FYE 31 December 2014, there were no material litigations as at 31 December 2014 which would have a material impact on the TNGB Group.

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10. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of TNGB Shares as transacted for the past 12 months from April 2014 to March 2015 *(being the last full trading month prior to the LPD)* are as follows:-

	High	Low
	RM	RM
2014		
April	0.920	0.865
May	1.000	0.920
June	0.980	0.920
July	0.980	0.920
August	0.935	0.930
September	0.935	0.930
October	0.930	0.930
November	0.945	0.930
December	0.930	0.930
2015		
January	0.940	0.930
February	0.940	0.800
March	1.300	0.870

(Source: Bloomberg)

Last transacted market price on 2 March 2015, being the LTD prior to the announcement of the Proposed Offer (RM)	0.830
Last transacted market price on 30 April 2015, being the LPD (RM)	1.150

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are stated in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Equity holders of the Company	5,389	7,130

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid:

(i) a first and final dividend of 2.0 sen per ordinary share less income tax of 25% amounting to RM3,346,013 in respect of financial year ended 31 December 2012 on 20 May 2013 and

(ii) an interim dividend of 3.0 sen per ordinary share less income tax of 25% amounting to RM5,019,019 in respect of financial year ended 31 December 2013 on 17 December 2013.

The Directors recommend a final single tier dividend payment of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2013 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Directors

The Directors who have held office since the date of the last report are:

Datuk Mohd Nasir bin Ali
Loh Yeow Boo
Josephine Premla Sivaretnam
Tee Kim Chan

directors' report

Directors' interest in shares

The Directors holding office at the end of the financial year and their beneficial interest in Ordinary Shares of the Company at the end of the financial year, as recorded in Register of Director's Shareholding kept under Section 134 of the Companies Act, 1965, in Malaysia are as follows:

	Number of Ordinary Shares of RM1.00 each			
Shareholdings registered in the name of the Directors:	Balance as at 1.1.2013	Bought	Sold	Balance as at 31.12.2013
Direct interest in the Company:				
Datuk Mohd Nasir bin Ali	10,000	-	-	10,000
Josephine Premla Sivaretnam	19,200	-	-	19,200

None of the other Directors in office at the end of the financial year had any interest in shares of the Company and its related companies during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during or at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

(i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts and

(ii) all current assets have been stated at the lower of cost and net realisable value.

directors' report

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or render the amount of the provision for doubtful debts inadequate to any material extent or

(ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATUK MOHD NASIR BIN ALI

TEE KIM CHAN

Kuala Lumpur
21 March 2014

STATEMENT BY DIRECTORS

pursuant to section 169(15) of the companies act, 1965 in Malaysia

In the opinion of the Directors, the accompanying financial statements as set out on pages 42 to 103 are drawn up in accordance with the provisions of the Companies Act, 1965 in Malaysia, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information as set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATUK MOHD NASIR BIN ALI

TEE KIM CHAN

Kuala Lumpur
21 March 2014

STATUTORY DECLARATION

pursuant to section 169(16) of the companies act, 1965 in Malaysia

I, ROY WINSTON GEORGE, being the officer primarily responsible for the financial management of THE NOMAD GROUP BHD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 42 to 103 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named
at Kuala Lumpur in Wilayah Persekutuan on 21 March 2014

)
)
)
) ROY WINSTON GEORGE

Before me,

KALASAGAR NAIR (W513)
COMMISSIONER FOR OATHS

REPORT OF THE INDEPENDENT AUDITORS

to the members of The Nomad Group Bhd
(Co. No. 426627-H)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of THE NOMAD GROUP BHD, which comprise the Statements of Financial Position as at 31 December 2013 of the Group and of theCompany, the Statements of Profit or Loss, Statements of Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 42 to 104.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal controls as the Directors determine are necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design the audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia, so as to give a true and fair view of the financial position of the Company as at 31 December 2013 and of their financial performance and cash flows for the financial year then ended.

report of the independent auditors

to the members of The Nomad Group Bhd
(Co. No. 426627-H)
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries, of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries for which we have not acted as auditors in Note 10 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditor reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 34 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

1. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

2. The comparative figures were audited by another firm of auditors who expressed an unmodified opinion on those statements on 14 March 2013.

PKF
AF 0911
CHARTERED ACCOUNTANTS

CHUAH SOO HUAT
3002/07/14 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur
21 March 2014

STATEMENTS OF PROFIT OR LOSS

for the financial year ended 31 December 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	3	76,291	76,173	6,749	5,334
Other income		11,918	3,910	1,590	714
Employee benefits	4	(21,007)	(16,660)	(1,243)	(1,219)
Depreciation and amortisation		(12,668)	(12,622)	(39)	(46)
Other expenses		(40,821)	(41,449)	(538)	(515)
Profit from operations		13,713	9,352	6,519	4,268
Finance income		335	645	54	9
Finance costs	5	(4,428)	(4,559)	-	-
Share in results of an associate company		(1,265)	(528)	-	-
(Impairment)/Reversal of impairment of investment in an associate company		(1,128)	-	609	-
Profit before tax	6	7,227	4,910	7,182	4,277
Tax expense	7	(1,838)	(2,633)	(52)	(43)
Profit for the financial year		5,389	2,277	7,130	4,234
Profit for the financial year attributable to equity holders of the Company		5,389	2,277	7,130	4,234
Basic earnings per ordinary share (sen)	8	2.42	1.02		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the financial year		5,389	2,277	7,130	4,234
Other comprehensive income:					
Fair value adjustment on available-for-sale financial assets		12,206	(2,915)	12,206	(2,915)
Share of associate company movement in other comprehensive income		(4,442)	411	-	-
Foreign currency translation difference for foreign operation		(6,384)	(2,832)	-	-
Total other comprehensive income/(loss)		1,380	(5,336)	12,206	(2,915)
Total comprehensive income/(loss) for the financial year attributable to equity holders of the Company		6,769	(3,059)	19,336	1,319

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	9	295,584	289,721	28	68
Investment in subsidiaries	10	-	-	238,510	249,240
Investment in an associate	11	-	25,319	-	17,875
Other investments	12	91	91	91	91
Other receivables	13	4,997	5,013	-	-
Goodwill	14	12,134	11,994	-	-
		312,806	332,138	238,629	267,274
Current assets					
Inventories	15	373	213	-	-
Trade receivables	16	2,615	2,866	-	-
Non-trade receivables, deposits and prepayments	13	2,653	2,458	55	24
Tax recoverable		151	1,542	-	8
Amount due from subsidiaries	17	-	-	1,869	20,106
Other investments	12	98,489	57,363	88,652	53,413
Cash and cash equivalents	18	20,509	35,362	8,146	3,060
Non-current asset held for sale	19	18,484	24,111	18,484	-
		143,274	123,915	117,206	76,611
TOTAL ASSETS		456,080	456,053	355,835	343,885
EQUITY AND LIABILITIES					
Equity					
Share capital	20	223,068	223,068	223,068	223,068
Reserves	21	120,645	122,241	131,483	120,512
TOTAL EQUITY		343,713	345,309	354,551	343,580
LIABILITIES					
Non-current liabilities					
Term loans	22	68,525	70,019	-	-
Deferred tax liabilities	23	11,653	12,682	-	-
		80,178	82,701	-	-

The accompanying notes form an integral part of the financial statements.

statements of financial position

as at 31 December 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Current liabilities					
Trade payables	24	4,891	2,136	-	-
Non-trade payables and accruals	24	19,807	19,032	865	299
Amount due to subsidiaries	17	-	-	419	6
Term loans	22	7,150	6,825	-	-
Provision for taxation		341	50	-	-
		32,189	28,043	1,284	305
TOTAL LIABILITIES		112,367	110,744	1,284	305
TOTAL EQUITY AND LIABILITIES		456,080	456,053	355,835	343,885

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2013

	← Attributable to equity holders of the Company →					
	← Non-distributable			→	Distributable	
Group	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2012	223,068	79,437	38,370	(732)	11,571	351,714
Total comprehensive loss for the financial year	-	-	(2,504)	(2,832)	2,277	(3,059)
Dividends (Note 25)	-	-	-	-	(3,346)	(3,346)
At 31 December 2012	223,068	79,437	35,866	(3,564)	10,502	345,309
Total comprehensive income for the financial year	-	-	7,764	(6,384)	5,389	6,769
Dividends (Note 25)	-	-	-	-	(8,365)	(8,365)
At 31 December 2013	223,068	79,437	43,630	(9,948)	7,526	343,713

The accompanying notes form an integral part of the financial statements.

statements of changes in equity

for the financial year ended 31 December 2013

Company	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
	Attributable to equity holders of the Company				
	← Non-distributable →			Distributable	
At 1 January 2012	223,068	79,437	34,339	8,763	345,607
Total comprehensive income for the financial year	-	-	(2,915)	4,234	1,319
Dividends (Note 25)	-	-	-	(3,346)	(3,346)
At 31 December 2012	223,068	79,437	31,424	9,651	343,580
Total comprehensive income for the financial year	-	-	12,206	7,130	19,336
Dividends (Note 25)	-	-	-	(8,365)	(8,365)
At 31 December 2013	223,068	79,437	43,630	8,416	354,551

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax		7,227	4,910	7,182	4,277
Adjustment for:					
(Reversal of)/Allowance for impairment of trade receivables		(5)	15	-	-
Bad debts written off		5	2	-	-
Depreciation of property, plant and equipment		12,668	12,622	39	46
Interest income		(578)	(869)	(297)	(233)
Dividend income		(3,006)	(1,609)	(6,506)	(5,109)
Interest expense		4,428	4,559	-	-
Share in results of an associate company		1,265	528	-	-
Impairment/(Reversal of impairment) of investment in an associate		1,128	-	(609)	-
Fair value gain on financial assets at FVTPL		(1,228)	(862)	(1,023)	(714)
Property, plant and equipment written off		193	568	1	-
Gain on disposal of non-current asset held for sale		(7,179)	-	-	-
Loss on disposal of property, plant and equipment		75	86	-	-
Goodwill written off		-	11	-	-
Operating profit/(loss) before working capital changes		14,993	19,961	(1,213)	(1,733)
Increase in inventories		(160)	(24)	-	-
Decrease/(Increase) in trade and non-trade receivables		84	(2,553)	(31)	21
Decrease/(Increase) in amount due from/to subsidiaries		-	-	18,650	(19,588)
Increase in trade and non-trade payables		3,493	5,071	566	92
Cash generated from/(used in) operations		18,410	22,455	17,972	(21,208)
Income tax refund		1,856	798	6	-
Income tax paid		(2,788)	(1,605)	(50)	(44)
Interest received		566	837	297	233
Net cash generated from/(used in) operating activities		18,044	22,485	18,225	(21,019)

The accompanying notes form an integral part of the financial statements.

statements of cash flows

for the financial year ended 31 December 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash flows from investing activities					
Dividend received		3,006	1,609	6,506	5,109
Proceeds from disposal of:					
- property, plant and equipment		96	28	-	-
- other investments		17,528	41,791	14,190	34,491
non-current asset held for sale		27,637	-	-	-
Net cash outflow on acquisition of a subsidiary	10(ii)	-	(16,203)	-	-
Acquisition of:					
- property, plant and equipment		(19,060)	(10,151)	-	(4)
- available-for-sale investments		(45,220)	(25,265)	(36,200)	(20,415)
Net cash (used in)/generated from investing activities		(16,013)	(8,191)	(15,504)	19,181
Cash flows from financing activities					
Repayment of term loans		(16,394)	(6,803)	-	-
Interest paid		(4,428)	(4,559)	-	-
Proceeds from bank borrowings		15,225	-	-	-
Subscription of Redeemable Non-Cumulative Convertible Preference Shares		-	-	(23,353)	-
Redemption of Redeemable Non-Cumulative Convertible Preference Shares		-	-	34,083	-
Dividend paid		(8,365)	(3,346)	(8,365)	(3,346)
Net cash (used in)/generated from financing activities		(13,962)	(14,708)	2,365	(3,346)
Net (decrease)/increase in cash and cash equivalents		(11,931)	(414)	5,086	(5,184)
Cash and cash equivalents at 1 January		35,362	36,266	3,060	8,244
Effect of exchange rate changes		(2,922)	(490)	-	-
Cash and cash equivalents at 31 December	18	20,509	35,362	8,146	3,060

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2013

1. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

(a) Standards issued and effective

On 1 January 2013, the following new and amended MFRSs and IC Interpretations are mandatory for annual financial periods beginning on or after 1 January 2013.

Description	Effective for annual periods beginning on or after
• MFRS 3, Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
• MFRS 10, Consolidated Financial Statements	1 January 2013
• MFRS 11, Joint Arrangements	1 January 2013
• MFRS 12, Disclosure of Interests in Other Entities	1 January 2013
• MFRS 13, Fair Value Measurement	1 January 2013
• MFRS 119, Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
• MFRS 127, Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
• MFRS 127, Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
• MFRS 128, Investment in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
• Amendment to MFRSs:	
- MFRS 1, Government Loans	1 January 2013
- MFRS 7, Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
- MFRS 10, Consolidated Financial Statements : Transition Guidance	1 January 2013
- MFRS 11, Joint Arrangements : Transition Guidance	1 January 2013
- MFRS 12, Disclosure of Interests in Other Entities : Transition Guidance	1 January 2013
• Annual improvements 2009 – 2011 cycle, amendments to:	
- MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2013
- MFRS 101, Presentation of Financial Statements	1 January 2013
- MFRS 116, Property, Plant and Equipment	1 January 2013
- MFRS 132, Financial Instruments: Presentation	1 January 2013
- MFRS 134, Interim Financial Reporting	1 January 2013
- IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments	1 January 2013

The Directors expect that the adoption of the new and amended MFRSs and IC Interpretations above will have no material impact on the financial statements in the period of initial application.

1. Basis of preparation (continued)

(b) Standards issued but not yet effective

The Group and the Company have not adopted the following amendments and IC Interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities	1 January 2014
• Amendments to MFRS 12, Disclosure of Interest in Other Entities: Investment Entities	1 January 2014
• Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities	1 January 2014
• Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014
• Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
• Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
• IC Interpretation 21 Levies	1 January 2014
• Amendments to MFRS 119: Defined benefit plans: Employee Contributions	1 July 2014
• Annual improvements to MFRSs 2010 – 2012 cycle	
- MFRS 2, Share-based payment	1 July 2014
- MFRS 3, Business combinations	1 July 2014
- MFRS 8, Operating Segments	1 July 2014
- MFRS 116, Property, plant and equipment	1 July 2014
- MFRS 124, Related party disclosures	1 July 2014
- MFRS 138, Intangible assets	1 July 2014
• Annual improvements to MFRSs 2011 – 2013 cycle, amendments to	
- MFRS 3, Business combinations	1 July 2014
- MFRS 13, Fair value measurement	1 July 2014
- MFRS 140, Investment property	1 July 2014

The Directors expect that the adoption of the amendments and IC Interpretations above will have no material impact on the financial statements in the period of initial application except as mentioned below:

MFRS 9, Financial Instruments

MFRS 9 has been issued but the effective date is yet to be announced. The standard reflects the first phase of the work on replacement of MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 replaces the multiple classification and measurement of financial assets and financial liabilities in MFRS 139, with a single model that has only two classification categories: amortised cost and fair value.

All financial assets shall be classified on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value plus, in the case of a financial asset not classified as fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets are subsequently measured at amortised cost or at fair value. Financial liabilities are also subsequently measured at amortised cost or at fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

The Group will quantify the effect of MFRS 9 together with the other phases, when the final standard is issued.

notes to the financial statements

as at 31 December 2013

1. Basis of preparation (continued)

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

(d) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimated value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Fair Value Estimates for Certain Financial Assets and Liabilities

The Company carries certain financial assets and liabilities at fair value, which requires use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

1. Basis of preparation (continued)

(d) Critical accounting estimates and judgements (continued)

(v) Impairment of Trade and Non-trade Receivables

An impairment loss is recognised when there is an objective evidence that a financial asset is impaired. Management specifically reviews its trade and non-trade receivables and analyses its historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. Goodwill acquired in a business combination is allocated to cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

(viii) Allowance for impairment in value of investment in Redeemable Non-Cumulative Convertible Preference Shares ("RNCCPS")

The Group reviews the carrying amounts of RNCCPS at the end of each reporting period to determine whether there is any indication of impairment. The review is based on an assessment of the financial performance of the investee companies based on their latest financial information.

(viiii) Carrying Value of Investment in Subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 2(g)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

notes to the financial statements
as at 31 December 2013

2. Summary of significant accounting policies

(a) Foreign currencies

(i) *Functional and presentation currency*

The individual financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which those entities operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Group and the Company's functional currency.

(ii) *Foreign currency transactions*

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group and of the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and of the Company on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) *Foreign operations*

The results and financial position of foreign operations that have a functional currency that is different from the presentation currency (RM) of the consolidated financial statements are translated into RM.

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of each reporting period and income and expenses are translated at average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income.

On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of each reporting period.

2. Summary of significant accounting policies (continued)

(a) Foreign currencies (continued)

The principle exchange rates used at the end of the reporting period for the translation of foreign currencies are as follows:

	2013 RM	2012 RM
1 Singapore Dollar	2.59	2.50
100 Thai Baht	9.96	9.99
100 Indonesia Rupiah	0.03	0.03
100 Philippines Peso	7.38	7.46
100 Vietnamese Dong	0.02	0.01
1 United States Dollar	3.28	3.06

(b) Basis of consolidation

(i) Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

The Group adopted MFRS 10, Consolidated Financial Statements in the current financial year. This has resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those return through its power over the entity. In the previous financial year, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

The change in accounting policy has been made retrospectively and in accordance with the transition provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

(ii) Accounting for business combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. A subsidiary is consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

notes to the financial statements
as at 31 December 2013

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

Acquisitions of subsidiary are accounted for by applying the acquisition method.

Acquisitions between 1 January 2006 to 1 January 2011

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred plus
- The recognised amount of any non-controlling interests in the acquiree plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Other than those associated with the issue of debt or equity securities, cost related with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and / or future service.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

(iv) Associate

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investments.

Any excess of the Group's share of the net fair value of the associates identifiable assets, liabilities and contingent liabilities over the cost of the investments is excluded from the carrying amount of the investments and is instead included as income in the determination of the Group's share of the associates profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the group investment in its associates. The Group determines at each reporting period whether there is any objective evidence that the investment in the associates is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

notes to the financial statements
as at 31 December 2013

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Group and to the Company and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and provisions, trade discounts and rebates.

(i) Room revenue

Room revenue is recognised on the accrual basis when the services are rendered.

(ii) Food and beverage revenue

Food and beverage revenue is recognised on an accrual basis when the services are rendered.

(iii) Rendering of services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably.

(iv) Interest income

Interest income is recognised as it accrues on time proportion basis.

(v) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

(vi) Management fees

Management fees are recognised on accrual basis.

(vii) Rental income

Rental income is recognised on a time proportion basis over the lease term.

2. Summary of significant accounting policies (continued)

(d) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company.

The Group and the Company recognise the expected cost of accumulated paid absences when the employees rendered services that increases their entitlement to future paid absences. In the case of non-accumulating paid absences, it is recognised when absences occurs.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans is charged to the profit or loss in the period in which it incurred. Once the contributions are settled, the Group and the Company have no further liability in respect of the defined contribution plans.

(e) Borrowing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs. Finance costs comprise interest paid and payable on borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

(f) Tax expense

(i) Current tax

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for a period. Current tax liability or assets for the current and prior periods shall be measured at the amount expected to be paid to, or recovered from, the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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2. Summary of significant accounting policies (continued)

(f) Tax expense (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or different period, outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost.

(g) Impairment

(i) Impairment of financial assets

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. If any such evidence exists, the Group and the Company measure its impairment loss as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Objective evidence of impairment for a portfolio of receivables could include the Group and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an impairment account. When a trade receivable becomes uncollectible, it is written off against the impairment account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of such reversal is recognised in profit or loss.

(ii) Impairment of non-financial assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group and the Company shall estimate the recoverable amount of the asset.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

2. Summary of significant accounting policies (continued)

(g) Impairment (continued)

(ii) Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

A reversal of an impairment loss for an asset other than goodwill shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount.

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it can be reliably measured and it is probable that future economic benefits will flow to the Group and to the Company.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Renovation in progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use on straight line basis.

Freehold land has indefinite useful life and is not depreciated.

notes to the financial statements

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2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

Depreciation is computed on a straight line basis over the estimated useful lives of the assets as follows:

Buildings	2%
Leasehold land and buildings	Over the remaining lease term
Computer equipment and software	10% - 33.33%
Furniture, fittings and office equipment	10% - 33.33%
Renovation	12.5% - 20%
Motor vehicles	20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(i) Intangible assets

Goodwill on consolidation

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 1(a) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Group and of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

2. Summary of significant accounting policies (continued)

(j) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, without any deduction for transaction costs it may incur on sale or other disposal. Changes in fair value are recognised in profit or loss.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

Financial assets that are non-derivative with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

notes to the financial statements

as at 31 December 2013

2. Summary of significant accounting policies (continued)

(j) Financial assets

(iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(k) Inventories

Inventories which consist of food, beverage and consumables, are stated at the lower of cost (determined on the first in first out basis) and net realisable value. Cost includes the purchase and the incidental cost incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimate selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (continued)

(m) Non-current assets classified as held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable MFRS. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single coordinated major line of business or geographical are of operations or is a subsidiary acquired exclusively with a view to resale.

The comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative period.

(n) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities measured at amortised cost.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities include trade and non-trade payables.

Trade and non-trade payables are recognised initially at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies (continued)

(n) Financial liabilities (continued)

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Operating leases

The Group as Lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as Lessor

Assets leased out under operating leases are presented in the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

(p) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

(q) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the Statements of Financial Position of the Group and of the Company.

(r) Operating segment

For management purposes, the Group and the Company are organised into operating segments based on types of services. The management of the Group and of the Company regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2. Summary of significant accounting policies (continued)

(s) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(t) Fair value measurement

From 1 January 2013, the Group and the Company adopted MFRS 13, Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a participant market, in the most advantageous market.

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Group and the Company applied the new fair value measurement guidance prospectively and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's and of the Company's assets or liabilities other than the additional disclosures.

3. Revenue

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue from hotel operations	46,189	43,851	-	-
Revenue from serviced office operations	26,512	27,158	-	-
Revenue from building management	341	3,279	-	-
Revenue from hotel management services	-	50	-	-
Gross dividend income	3,006	1,609	6,506	5,109
Interest income	243	226	243	225
	76,291	76,173	6,749	5,334

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as at 31 December 2013

4. Employee benefits

(a) Staff costs

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Salaries, wages, allowances and bonuses	19,313	14,612	847	845
EPF contribution	1,085	1,470	107	106
SOCSO contribution	80	71	3	3
Other benefits expense	237	235	6	5
	20,715	16,388	963	959

(b) Directors' remuneration

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Non-executive directors:				
- Fees	172	152	160	140
- Other emoluments	120	120	120	120
	292	272	280	260

The number of Directors whose total remuneration during the year that falls within the following bands is as follows:

	Group		Company	
	2013	2012	2013	2012
	Number of Directors		Number of Directors	
Non-executive directors:				
Below RM50,000	1	1	-	-
RM50,001 to RM100,000	4	4	4	4

The total number of employees, inclusive of executive Directors, of the Group and of the Company as at the end of the financial year is 408 (2012: 373).

5. Finance costs

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interest expense on term loans	4,428	4,559	-	-

6. Profit before tax

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before tax are arrived at after charging/(crediting):				
Allowance for impairment of trade receivables	8	19	-	-
Reversal of impairment of trade receivables	(13)	(4)	-	-
Auditor's remuneration:				
- Auditor of the Company	115	122	38	38
- Other auditor	150	149	-	-
- Under provision in prior year	2	-	-	-
Bad debts written off	5	2	-	-
Depreciation of property, plant and equipment	12,668	12,622	39	46
Gain on disposal of non-current asset held for sale	(7,179)	-	-	-
Loss on disposal of property, plant and equipment	75	86	-	-
(Gain)/Loss on foreign exchange				
- realised	(859)	-	(859)	-
- unrealised	(5,436)	360	291	-
Property, plant and equipment written off	193	568	1	-
Rental of office premises	17,797	15,731	47	61
Rental of office equipment and machinery	520	354	-	-
Interest income on:				
- short term deposits	(239)	(702)	(47)	(109)
- fixed deposits	(283)	(126)	(196)	(115)
- others	(33)	(16)	(54)	(9)
- interest income - receivable	(23)	(25)	-	-
Rental income:				
- equipment	(9)	(1)	-	-
- facilities	(455)	(385)	-	-
- car park rental	(604)	(626)	-	-
- roof top rental	(278)	(320)	-	-

notes to the financial statements
as at 31 December 2013

7. Tax expense

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current tax	3,052	1,725	51	43
- (over)/under provision in prior year	(185)	2	1	-
	2,867	1,727	52	43
Deferred tax (Note 23)				
- current	(1,252)	906	-	-
- under provision in prior year	223	-	-	-
	(1,029)	906	-	-
	1,838	2,633	52	43

Reconciliation of effective tax rate

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before tax (excluding share in results of associate company)	8,492	5,438	7,182	4,277
Tax calculated using Malaysian tax rate at 25%	2,123	1,360	1,795	1,069
Expenses not deductible for tax purposes	3,192	3,472	138	251
Income not subject to tax	(628)	(609)	(1,882)	(1,277)
Deferred tax assets not recognised	1,547	2,902	-	-
Utilisation of deferred tax assets previously not recognised	(1,634)	(3,594)	-	-
Difference in foreign tax rate	(2,800)	(900)	-	-
	1,800	2,631	51	43
Over/(under) provision of tax expense in prior years	(185)	2	1	-
Under provision of deferred tax in prior years	223	-	-	-
	1,838	2,633	52	43

7. Tax expense (continued)

The Group and the Company have unutilised tax losses and unabsorbed capital allowances to be set off against future taxable profits as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	1,109	4,022	-	-
Unabsorbed capital allowances	186	1,178	-	-
Unabsorbed investment tax allowances	7,841	10,217	-	-
	9,136	15,417	-	-

8. Earnings per ordinary share

Basic earnings per ordinary share

Earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year:

	Group	
	2013	2012
Net profit for the year (RM'000)	5,389	2,277
Weighted average number of ordinary shares in issue ('000)	223,068	223,068
Basic earnings per ordinary share (sen)	2.42	1.02

Diluted earnings per ordinary share are not presented as there are no dilutive potential ordinary shares during the financial year and the previous financial year.

notes to the financial statements
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9. Property, plant and equipment

Group 2013	Freehold land RM'000	Buildings RM'000	Leasehold land and building RM'000	Renovation in progress RM'000	Computer equipment and software RM'000	Furniture and fittings, office equipment and renovation RM'000	Motor vehicles RM'000	Total RM'000
Cost								
At 1 January	85,889	200,776	134	-	3,621	57,470	273	348,163
Additions	-	-	-	13,952	959	4,079	70	19,060
Reclassification	-	-	(134)	-	-	134	-	-
Disposals	-	-	-	-	(177)	(1,394)	-	(1,571)
Written off	-	-	-	-	(58)	(2,296)	-	(2,354)
Exchange differences	-	-	-	-	(54)	(339)	-	(393)
At 31 December	85,889	200,776	-	13,952	4,291	57,654	343	362,905
Accumulated depreciation								
At 1 January	-	24,463	115	-	2,383	31,217	264	58,442
Charge for the year	-	4,402	5	-	419	7,827	15	12,668
Reclassification	-	-	(120)	-	-	120	-	-
Disposals	-	-	-	-	(137)	(1,263)	-	(1,400)
Written off	-	-	-	-	(56)	(2,105)	-	(2,161)
Exchange differences	-	-	-	-	(30)	(198)	-	(228)
At 31 December	-	28,865	-	-	2,579	35,598	279	67,321
Carrying amount								
At 31 December	85,889	171,911	-	13,952	1,712	22,056	64	295,584

9. Property, plant and equipment (continued)

Group 2012	Freehold land RM'000	Buildings RM'000	Leasehold land and building RM'000	Computer equipment and software RM'000	Furniture and fittings, office equipment and renovation RM'000	Motor vehicles RM'000	Total RM'000
Cost							
At 1 January	76,389	185,276	32,714	3,010	50,181	273	347,843
Additions	-	-	7	637	9,507	-	10,151
Acquisition of subsidiary	9,500	15,500	-	-	-	-	25,000
Disposals	-	-	-	(3)	(252)	-	(255)
Transfer to non-current asset classified as held for sale (Note 19)	-	-	(29,588)	-	(82)	-	(29,670)
Written off	-	-	-	(7)	(1,907)	-	(1,914)
Exchange differences	-	-	(2,999)	(16)	23	-	(2,992)
At 31 December	85,889	200,776	134	3,621	57,470	273	348,163
Accumulated depreciation							
At 1 January	-	20,189	4,544	2,048	26,332	244	53,357
Charge for the year	-	4,274	1,574	349	6,405	20	12,622
Disposals	-	-	-	-	(141)	-	(141)
Transfer to non-current asset classified as held for sale (Note 19)	-	-	(5,525)	-	(34)	-	(5,559)
Written off	-	-	-	(3)	(1,343)	-	(1,346)
Exchange differences	-	-	(478)	(11)	(2)	-	(491)
At 31 December	-	24,463	115	2,383	31,217	264	58,442
Carrying amount							
At 31 December	85,889	176,313	19	1,238	26,253	9	289,721

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9. Property, plant and equipment (continued)

Company 2013	Computer equipment and software RM'000	Furniture and fittings, office equipment and renovation RM'000	Total RM'000
Cost			
At 1 January	231	66	297
Disposals	(26)	-	(26)
Written off	-	(6)	(6)
At 31 December	205	60	265
Accumulated depreciation			
At 1 January	188	41	229
Charge for the year	32	7	39
Disposals	(26)	-	(26)
Written off	-	(5)	(5)
At 31 December	194	43	237
Carrying amount			
At 31 December	11	17	28
2012			
Cost			
At 1 January	227	66	293
Additions	4	-	4
At 31 December	231	66	297
Accumulated depreciation			
At 1 January	150	33	183
Charge for the year	38	8	46
At 31 December	188	41	229
Carrying amount			
At 31 December	43	25	68

10. Investment in subsidiaries

	Company 2013 RM'000	Company 2012 RM'000
At cost:		
Unquoted shares	3,390	3,390
Redeemable Non-Cumulative Convertible Preference Shares ("RNCCPS") (Note 10 (i))	235,120	245,850
	238,510	249,240

The details of the subsidiary companies are as follows:

Name of companies:	Country of incorporation	Percentage of equity held 2013 %	2012 %	Principal activities
Direct subsidiaries				
The Nomad Hotel Management Sdn. Bhd.	Malaysia	100	100	Provision of hotel management and consultancy services
The Nomad Residences Sdn. Bhd.	Malaysia	100	100	Investment holding
Nomad Properties Sdn. Bhd.	Malaysia	100	100	Investment holding
Nomad International Sdn. Bhd.	Malaysia	100	100	Investment holding
The Nomad Offices Sdn. Bhd.	Malaysia	100	100	Investment holding
The Nomad Offices Asia Sdn. Bhd.	Malaysia	100	-	Investment holding
Indirect subsidiaries				
Held through The Nomad Residences Sdn. Bhd.				
The Nomad Bangsar Sdn. Bhd.	Malaysia	100	100	Operator of serviced residences
The Nomad Sucasa Sdn. Bhd.	Malaysia	100	100	Hotelier and operator of All Suite-Hotel
The Nomad Penang Sdn. Bhd.	Malaysia	100	100	Provision of hotel management and consultancy services
City Centre Hotel Sdn. Bhd.	Malaysia	100	100	Hotelier and hotel related services

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10. Investment in subsidiaries (continued)

Name of companies:	Country of incorporation	Percentage of equity held 2013 %	2012 %	Principal activities
Indirect subsidiaries (continued)				
Held Through The Nomad Offices Sdn. Bhd.				
Nomad Space Sdn. Bhd.	Malaysia	100	100	Operator of serviced offices
The Nomad Offices Pte. Ltd.	Singapore	100	100	Operator of serviced offices and investment holding
Nomad Space (Thailand) Co. Ltd.	Thailand	100	100	Operator of serviced offices and investment holding
Held Through The Nomad Offices Pte. Ltd.				
Central Offices Pte. Ltd.	Singapore	100	100	Operator of serviced offices
The Nomad Offices (Vietnam) Co. Ltd.	Vietnam	100	100	Managing of serviced offices and related services
The Nomad Offices (Philippines) Inc.	Philippines	100	100	Operator of serviced offices
The Nomad Offices (Thailand) Co. Ltd.	Thailand	100	100	Operator of serviced offices and investment holding
Instant Office Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Bizcentre Capital Pte. Ltd.	Singapore	100	100	Investment holding
PT Concept Kreativ	Indonesia	100	100	Operator of serviced offices
PT The Nomad Offices Indonesia	Indonesia	100	100	Inactive
Held Through Nomad Properties Sdn. Bhd.				
The Nomad Hotel Penang Sdn. Bhd.	Malaysia	100	100	Hotelier and hotel related services

Not audited by PKF Malaysia.

10. Investment in subsidiaries (continued)

(i) Redeemable Non-Cumulative Convertible Preference Shares ("RNCCPS")

The rights and restrictions attached to the RNCCPS are as follows:

(i) The holders of the RNCCPS shall have the right to attend meetings of the issuing company and vote on matters which affect their rights and privileges only

(ii) The holders of the RNCCPS shall have the right to receive non-cumulative preferential dividends as determined and declared by the directors of the issuing company

(iii) The RNCCPS may be redeemed at such time and manner as the directors of the issuing company determine

(iv) In the event of a return of capital on winding up, liquidation or otherwise of the issuing company, the RNCCPS shall rank in priority over other classes of shares in respect of dividends due and the return of the par value of the RNCCPS.

The RNCCPS holders shall not be entitled to participate in the profits or assets of the issuing company beyond such rights as are expressly set out in the Articles of Association of the issuing company

(v) The RNCCPS shall be converted into new ordinary shares at the discretion of the directors of the issuing company based on a conversion rate of one RNCCPS for one new ordinary share in the issuing company and

(vi) The RNCCPS are transferable only with the prior consent of the directors of the issuing company.

(ii) Acquisition of a subsidiary

In the previous financial year, Nomad Properties Sdn. Bhd. ("NPSB"), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement to acquire 100% equity interest in The Nomad Hotel Penang Sdn. Bhd. (formerly known as Bella Varia Sdn. Bhd.), comprising 3 million ordinary shares of RM1 each for a cash consideration of RM25 million.

The fair values of identifiable assets and liabilities of The Nomad Hotel Penang Sdn. Bhd. as at 1 October 2012 were:

	2012 RM'000
Property, plant and equipment	25,000
Trade and non-trade receivables	98
Cash and bank balances	14
Other payables	(1,293)
Term loans	(8,797)
Total net assets	15,022
Goodwill	11
Acquisition cost	15,033

The carrying amounts of trade and non-trade receivables were at their fair values.

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10. Investment in subsidiaries (continued)

(ii) Acquisition of a subsidiary (continued)

The analysis of cash flows on acquisition were as follows:

	2012 RM'000
Purchase consideration by cash	25,000
Add: utilities deposit to be taken over	74
	25,074
Less : Term loans assumed	(8,797)
Cash and cash equivalents acquired	(14)
Utilities deposit taken over after year end	(60)
Net cash outflow on acquisition	16,203

11. Investment in an associate

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at cost	20,533	20,533	22,020	22,020
Share of post-acquisition reserves:				
Share of results net of dividend received	3,224	4,489	-	-
Share of movement in other comprehensive income	-	4,442	-	-
	23,757	29,464	22,020	22,020
Allowance for impairment	(4,145)	(4,145)	(4,145)	(4,145)
(Impairment)/Reversal of impairment	(1,128)	-	609	-
Net carrying amount (Note 11 (i))	18,484	25,319	18,484	17,875
Reclassified to non-current asset held for sale (Note 19)	(18,484)	-	(18,484)	-
	-	25,319	-	17,875

11. Investment in an associate (continued)

	Group	
	2013	2012
	RM'000	RM'000
(i) Net carrying amount represented by:		
Share of net assets	26,791	23,257
Goodwill on acquisition	6,207	6,207
Allowance for diminution in value of investment	(5,273)	(4,145)
Reversal of fair value reserve	(9,241)	-
	18,484	25,319

The investment in an associate company represents a 30% interest in Malacca Securities Sdn. Bhd, which is a stockbroking company incorporated in Malaysia.

The Group's aggregate share of the revenue, profit for the year, assets and liabilities of the associate company is as follows:

	Group	
	2013	2012
	RM'000	RM'000
Revenue	1,933	2,241
Loss for the year	(1,265)	(528)
Assets and liabilities:		
Current assets	55,141	30,923
Non-current assets	3,341	10,849
Current liabilities	(28,452)	(16,795)
Non-current liability	(3,239)	(1,720)
	26,791	23,257

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12. Other investments

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Non-current				
Classified as available-for-sale financial assets				
- Membership in golf club	91	91	91	91
Current				
Classified as available-for-sale financial assets				
- Shares quoted in Malaysia at market value	49,979	37,773	49,979	37,773
Classified as financial assets at fair value through profit or loss				
- Investment in money market fund	48,510	19,590	38,673	15,640
	98,489	57,363	88,652	53,413
	98,580	57,454	88,743	53,504

13. Non-trade receivables, deposits and prepayments

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Non-current				
Refundable deposits	4,997	5,013	-	-
Current				
Other receivables	925	1,048	11	4
Refundable deposits	211	254	2	-
Prepaid expenses	1,517	1,156	42	20
	2,653	2,458	55	24
Total	7,650	7,471	55	24

Analysis of foreign currency exposure profile of non-trade receivables and deposits (excluding prepayments) is as follows:

	Group	
	2013	2012
	RM'000	RM'000
Ringgit Malaysia	2,385	2,159
Singapore Dollar	1,255	1,351
Thai Baht	1,527	1,564
Indonesia Rupiah	710	972
Philippines Peso	255	261
Vietnam Dong	1	8
	6,133	6,315

14. Goodwill

	Group 2013 RM'000	Group 2012 RM'000
Cost		
At 1 January	11,994	11,877
Acquisition of subsidiary	-	11
Goodwill written off	-	(11)
Exchange differences	140	117
At 31 December	12,134	11,994

15. Inventories

	Group 2013 RM'000	Group 2012 RM'000
General supplies of hotel operations – at cost	373	213

16. Trade receivables

	Group 2013 RM'000	Group 2012 RM'000
Trade receivables	2,629	2,947
Less: Allowance for impairment		
At 1 January	(81)	(92)
Addition	(8)	(19)
Written off	56	9
Reversal	13	4
Exchange differences	6	17
At 31 December	(14)	(81)
Trade receivables, net	2,615	2,866

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16. Trade receivables (continued)

The Group's and the Company's normal trade credit term is up to 30 days (2012: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

Analysis of foreign currency exposure profile of trade receivables is as follows:

	Group	
	2013	2012
	RM'000	RM'000
Ringgit Malaysia	2,112	2,319
Singapore Dollar	248	115
Thai Baht	100	26
Indonesia Rupiah	70	215
Philippines Peso	24	77
Vietnam Dong	61	114
	2,615	2,866

17. Amount due from/(to) subsidiaries

All amounts due from/(to) subsidiaries represent unsecured, non-trade balances which are repayable on demand.

Interest rate is charged on certain balances at the effective rates ranging from 4.85% to 6.08% (2012: 5.58% to 6.17%) per annum.

18. Cash and cash equivalents

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	13,237	30,396	7,905	2,937
Cash and bank balances	7,272	4,966	241	123
	20,509	35,362	8,146	3,060

Deposits placed with licensed banks of the Group and of the Company have an average maturity period of 99 days (2012: 33 days).

The deposits as at 31 December 2013 of the Group and of the Company earned interest at average rates ranging from 0.85% to 3.30% (2012: 0.05% to 9.00%) per annum.

19. Non-current assets held for sale

For the financial year ended 31 December 2012, non-current asset classified as held for sale comprised a land measuring 2,553 square metre held under HGB No. 1261/1998 together with a constructed 9-storey office building ("Property"), located at Jl. Probolinggo 18, Menteng, Central Jakarta, Indonesia. On 14 December 2012, the indirect wholly owned subsidiary, PT The Nomad Offices Indonesia entered into a Sale and Purchase Agreement to dispose the Property for a total cash consideration of IDR105 billion (equivalent to approximately RM33 million). The transaction was completed on 8 February 2013.

In respect of the financial year ended 31 December 2013, non-current asset classified as held for sale represents the investment in Malacca Securities Sdn Bhd ("MSSB"). The Company had on 16 January 2014, entered into an agreement for the sale of its entire interest of 30% in MSSB for a total cash consideration of RM18,484,202. The transaction was completed on 6 February 2014.

The non-current asset held for sale is carried at the lower of its carrying amount and net realisable value, as at 31 December 2013.

20. Share capital

	Group and Company			
	2013	2012	2013	2012
	Number of Ordinary Shares ('000)		RM'000	RM'000
Ordinary Shares of RM1 each:				
Authorised:				
At 1 January/31 December	500,000	500,000	500,000	500,000
Issued and fully paid:				
At 1 January/31 December	223,068	223,068	223,068	223,068

21. Reserves

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-distributable				
Share premium (i)	79,437	79,437	79,437	79,437
Fair value reserve (ii)	43,630	35,866	43,630	31,424
Foreign currency translation reserve (iii)	(9,948)	(3,564)	-	-
	113,119	111,739	123,067	110,861
Distributable				
Retained earnings (iv)	7,526	10,502	8,416	9,651
	120,645	122,241	131,483	120,512

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21. Reserves (continued)

(i) Share premium

Share premium arose from the premium on the issuance of new ordinary shares in prior financial years.

(ii) Fair value reserve

The fair value reserve relates to the fair valuation of financial assets categorised as available-for-sale.

(iii) Foreign currency translation reserve

Exchange differences arising from the translation of foreign controlled subsidiaries are taken to the translation adjustment account as described in the accounting policies.

(iv) Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full tax imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of shareholders (i.e. "the single tier system"). However, there is a transitional period of six (6) years, which expired on 31 December 2013, that allow companies to pay franked dividends to their shareholders under limited circumstances. As such, the whole retained earnings can be distributed to shareholders as single tier dividends.

22. Term loans

	Group	
	2013	2012
	RM'000	RM'000
Bank term loan bearing effective interest rate of 5.85% (2012: 5.85%) per annum repayable by 40 quarterly instalments commencing October 2009	22,100	24,600
Bank term loan bearing effective interest rate of 5.70% to 6.00% (2012: 6.20%) per annum repayable by 31 quarterly instalments commencing January 2010	32,550	36,750
Bank term loan bearing effective interest rate of 5.70% to 6.00% (2012: 6.20%) per annum repayable by 31 quarterly instalments commencing January 2010	5,800	6,800
Bank term loan bearing effective interest rate of 5.40% (2012: Nil) per annum repayable by 40 quarterly instalments commencing June 2014	9,000	-

22. Term loans (continued)

	Group 2013 RM'000	Group 2012 RM'000
Bank term loan bearing effective interest rate of 5.40% (2012: Nil) per annum repayable by 40 quarterly instalments commencing September 2014	6,225	-
Bank term loan bearing effective interest rate of Nil (2012: 3.75%) per annum	-	7,174
Bank term loan bearing effective interest rate of Nil (2012: 6.00%) per annum	-	613
Bank term loan bearing effective interest rate of Nil (2012: 6.00%) per annum	-	907
	75,675	76,844

These bank term loans were redeemed during the financial year 31 December 2013.

The remaining maturities of the borrowings as at 31 December are as follows:

	Group 2013 RM'000	Group 2012 RM'000
Within one year	7,150	6,825
More than one year and less than five years	52,798	54,229
Five years and more	15,727	15,790
	75,675	76,844

The term loans are secured by the following:

(i) First party legal charge over certain freehold land and buildings of the Group

(ii) Specific debenture over certain properties including buildings, fixture and fittings on the properties of the Group and

(iii) Corporate guarantee by the Company.

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23. Deferred tax liabilities

	Group 2013 RM'000	Group 2012 RM'000
At 1 January	12,682	11,776
Recognised in profit or loss (Note 7)	(1,029)	906
At 31 December	11,653	12,682

The components and movements of deferred tax assets and liability during the financial year are as follows:

	Property, plant and equipment RM'000
Deferred tax liabilities of the Group	
At 1 January 2013	17,490
Recognised in profit or loss	542
At 31 December 2013	18,032
At 1 January 2012	17,543
Recognised in profit or loss	(53)
At 31 December 2012	17,490

	Unabsorbed capital allowance RM'000	Unutilised tax losses RM'000	Unutilised investment tax allowances RM'000	Total RM'000
Deferred tax assets of the Group				
At 1 January 2013	(1,161)	(1,347)	(2,300)	(4,808)
Recognised in profit or loss	909	(2)	(2,478)	(1,571)
At 31 December 2013	(252)	(1,349)	(4,778)	(6,379)
At 1 January 2012	(2,093)	(1,350)	-	(3,443)
Recognised in profit or loss	932	3	(2,300)	(1,365)
At 31 December 2012	(1,161)	(1,347)	(2,300)	(4,808)

23. Deferred tax liabilities (continued)

The amount of temporary differences for which no deferred tax assets have been recognised are as follows (stated at gross):

	Group	
	2013	2012
	RM'000	RM'000
Unabsorbed capital allowances	742	4,712
Unutilised tax losses	4,434	16,088
Unutilised investment tax allowances	31,368	40,868
	36,544	61,668

24. Trade and non-trade payables

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade payables	4,891	2,136	-	-
Non-trade payables:				
Other payables	8,255	6,806	165	74
Accrued expenses	5,202	5,782	330	223
Deposits	6,350	6,444	370	2
	19,807	19,032	865	299
Total	24,698	21,168	865	299

The normal trade credit terms granted to the Group and to the Company range from 30 to 45 days (2012: 30 to 45 days).

Analysis of foreign currency exposure profile of trade and non-trade payables is as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	16,917	8,466	865	299
Singapore Dollar	2,858	1,759	-	-
Thai Baht	3,024	2,508	-	-
Indonesia Rupiah	905	7,295	-	-
Philippines Peso	822	808	-	-
Vietnam Dong	29	46	-	-
US Dollar	143	286	-	-
	24,698	21,168	865	299

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25. Dividends

Company	In respect of financial year	Dividend per share sen	Amount of dividend RM'000	Date of payment
2013				
Final dividend	2012	2.0	3,346	20 May 2013
Interim dividend	2013	3.0	5,019	17 December 2013
			8,365	
2012				
Final dividend	2011	2.0	3,346	21 May 2012

26. Significant related party transactions

Name of company	Type of transaction	Transaction value 2013 RM'000	Transaction value 2012 RM'000	Balance outstanding as at 31 December 2013 RM'000	Balance outstanding as at 31 December 2012 RM'000
With subsidiary companies:					
The Nomad Bangsar Sdn. Bhd.	Interest income	54	9	1,570	601
The Nomad Offices Pte. Ltd.	Redemption of RNCCPS	34,083	-	231	2,584
Nomad Properties Sdn. Bhd.	Subscription of RNCCPS	15,353	-	-	15,259
The Nomad Hotel Penang Sdn. Bhd.	Subscription of RNCCPS	8,000	-	56	1,656

The Directors are of the opinion that the terms and conditions and prices of the above transactions are not materially different from that obtainable in transactions with unrelated parties.

27. Operating lease arrangements

	Group	
	2013	2012
	RM'000	RM'000
Minimum lease payments under operating lease arrangements recognised as expenses in the year	18,317	16,085

At the financial year end, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follow:

	Group	
	2013	2012
	RM'000	RM'000
Within one year	14,848	15,374
In the second to fifth year inclusive	19,728	10,179
	34,576	25,553

Operating lease payments mainly represent rentals payable by the Group for its serviced offices. Leases are negotiated for an average term of six years and rentals are fixed for an average of three years.

28. Contingent liabilities

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Bank guarantee granted to supplier for services provided	655	615	-	-
Guarantee for term loan of subsidiaries	-	-	75,675	76,844
Value Added Tax ("VAT") Claim	-	5,400	-	-
	655	6,015	75,675	76,844

VAT Claim

On 7 June 2012, the tax authorities of Indonesia had claimed VAT payable of IDR8.5 billion together with penalty of IDR8.5 billion (total IDR17 billion, equivalent to approximately RM5.4 million) from PT The Nomad Offices Indonesia ("PTTNOI"). 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 IDR17 billion by the Tax Authorities of Indonesia is invalid.

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29. Operating segments

(a) Business segments

Business segmental information is organised into the Group's business units based on their products and services and has three reportable segments as follows:

- investment holding
- serviced residences
- serviced offices

2013 Group	Investment holding RM'000	Serviced residences RM'000	Serviced offices RM'000	Total RM'000
Segment revenue				
Sales to external customers	3,249	46,189	26,853	76,291
Intersegment sales	3,500	1,444	-	4,944
	6,749	47,633	26,853	81,235
Reconciliation:				
Elimination of intersegment sales				(4,944)
Revenue from continuing operations				76,291
Segment results	2,800	4,304	1,388	8,492
Reconciliation:				
Share in results of an associate company				(1,265)
Profit before tax from continuing operations				7,227
Segment assets	129,345	298,474	28,261	456,080
Segment liabilities	923	95,802	15,642	112,367
Other information				
Interest income	243	182	153	578
Interest expenses	-	4,428	-	4,428
Depreciation	39	7,498	5,131	12,668
Capital expenditure	-	15,063	3,997	19,060

29. Operating segments (continued)

(a) Business segments (continued)

2012 Group	Investment holding RM'000	Serviced residences RM'000	Serviced offices RM'000	Total RM'000
Segment revenue				
Sales to external customers	1,834	43,901	30,438	76,173
Intersegment sales	3,500	1,706	-	5,206
	5,334	45,607	30,438	81,379
Reconciliation:				
Elimination of intersegment sales				(5,206)
Revenue from continuing operations				76,173
Segment results	739	5,213	(514)	5,438
Reconciliation:				
Share in results of an associate company				(528)
Profit before tax from continuing operations				4,910
Segment assets	69,543	289,350	71,841	430,734
Investment in an associate company	25,319	-	-	25,319
Total assets	94,862	289,350	71,841	456,053
Segment liabilities	401	95,257	15,086	110,744
Other information				
Interest income	224	38	607	869
Interest expenses	-	4,559	-	4,559
Depreciation	46	6,960	5,616	12,622
Capital expenditure	4	26,090	9,057	35,151

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29. Operating segments (continued)

(b) Geographical segments

The revenue from the continuing operations is based on location of the operations.

(i) Revenue from external customers

	2013 RM'000	2012 RM'000
Malaysia (place of domicile)	58,393	57,336
Singapore	7,233	6,527
Indonesia	2,236	5,279
Thailand	5,864	4,306
Philippines	2,378	2,513
Vietnam	187	212
	76,291	76,173

(ii) Non-current assets

The non-current assets information from continuing operations is based on location of assets:

	2013 RM'000	2012 RM'000
Malaysia (place of domicile)	300,799	318,720
Singapore	1,690	1,829
Indonesia	2,381	2,265
Thailand	6,989	7,888
Philippines	947	1,436
	312,806	332,138

30. Financial instruments

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss
(b) Loans and receivables
(c) Available-for-sale financial assets
(d) Other financial liabilities measured at amortised cost

	Carrying amount RM'000	Fair value through profit or loss RM'000	Loans and receivables RM'000	Available for sale financial assests RM'000	Other financial liabilities measured at amortised cost RM'000
Group					
2013					
Financial assets					
Other investments	98,580	48,510	-	50,070	-
Trade receivables	2,615	-	2,615	-	-
Non-trade receivables and deposits (exclude prepayments)	6,133	-	6,133	-	-
Cash and cash equivalents	20,509	-	20,509	-	-
	127,837	48,510	29,257	50,070	-
Financial liabilities					
Trade payables	4,891	-	-	-	4,891
Non-trade payables and accruals	19,807	-	-	-	19,807
Term loans	75,675	-	-	-	75,675
	100,373	-	-	-	100,373

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30. Financial Instruments (continued)

Categories of financial instruments (continued)

	Carrying amount RM'000	Fair value through profit or loss RM'000	Loans and receivables RM'000	Available for sale RM'000	Other financial liabilities measured at amortised cost RM'000
Group					
2012					
Financial assets					
Other investments	57,454	19,590	-	37,864	-
Trade receivables	2,866	-	2,866	-	-
Non-trade receivables and deposits (exclude prepayments)	6,315	-	6,315	-	-
Cash and cash equivalents	35,362	-	35,362	-	-
	101,997	19,590	44,543	37,864	-
Financial liabilities					
Trade payables	2,136	-	-	-	2,136
Non-trade payables and accruals	19,032	-	-	-	19,032
Term loans	76,844	-	-	-	76,844
	98,012	-	-	-	98,012

30. Financial Instruments (continued)

Categories of financial instruments (continued)

	Carrying amount RM'000	Fair value through profit or loss RM'000	Loans and receivables RM'000	Available for sale RM'000	Other financial liabilities measured at amortised cost RM'000
Company					
2013					
Financial assets					
Other investments	88,743	38,673	-	50,070	-
Non-trade receivables and deposits (exclude prepayments)	13	-	13	-	-
Amount due from subsidiaries	1,869	-	1,869	-	-
Cash and cash equivalents	8,146	-	8,146	-	-
	98,771	38,673	10,028	50,070	-
Financial liabilities					
Non-trade payables and accruals	865	-	-	-	865
Amount due to subsidiaries	419	-	-	-	419
	1,284	-	-	-	1,284
Company					
2012					
Financial assets					
Other investments	53,504	15,640	-	37,864	-
Non-trade receivables and deposits (exclude prepayments)	4	-	4	-	-
Amount due from subsidiaries	20,106	-	20,106	-	-
Cash and cash equivalents	3,060	-	3,060	-	-
	76,674	15,640	23,170	37,864	-
Financial liabilities					
Non-trade payables and accruals	299	-	-	-	299
Amount due to subsidiaries	6	-	-	-	6
	305	-	-	-	305

30. Financial Instruments (continued)

Financial risk management objectives and policies

The Group is exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, market risk, foreign currency risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its credit risk, liquidity risk and foreign currency risk.

The following sections provide details regarding the Group's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that might have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group has no major concentration of credit risk and manages these risks by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

30. Financial instruments (continued)

Credit risk (continued)

Ageing analysis

The ageing analysis of the Group's trade receivables as at reporting date are as follows:

	Gross Amount RM'000	Impairment RM'000	Carrying Value RM'000
2013			
Not past due:	1,575	-	1,575
Past due:			
- less than 1 month	836	-	836
- less than 3 months	163	-	163
- more than 3 months	55	(14)	41
	2,629	(14)	2,615

	Gross Amount RM'000	Impairment RM'000	Carrying Value RM'000
2012			
Not past due:	1,541	-	1,541
Past due:			
- less than 1 month	505	-	505
- less than 3 months	520	-	520
- more than 3 months	381	(81)	300
	2,947	(81)	2,866

The impairment is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

notes to the financial statements
as at 31 December 2013

30. Financial instruments (continued)

Credit risk (continued)

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes in floating rate borrowings. The interest rates of borrowings are disclosed in Note 22 to the financial statements.

The Group borrows on floating rate basis. The Group does not generally hedge interest rate risks.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group	
	2013 Increase/ (Decrease) RM'000	2012 Increase/ (Decrease) RM'000
Effects on profit after taxation		
Increase of 5 basis point ("bp")	(38)	(38)
Decrease of 5 basis point ("bp")	38	38
Effects on equity		
Increase of 5 basis point ("bp")	(38)	(38)
Decrease of 5 basis point ("bp")	38	38

Cash flow risk

The Group reviews its cash flow position regularly to manage their exposure to fluctuations in future cashflows associated with their monetary financial instruments.

30. Financial instruments (continued)

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Singapore Dollar, Indonesian Rupiah, Vietnam Dong, Thai Baht, Philippines Peso, and US Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

A sensitivity analysis has been performed on the outsourcing foreign currency denominated monetary items of the Group as at 31 December 2013. As the movement of the foreign currency denominated monetary items as at 31 December 2013 are not material, the sensitivity analysis has not been presented.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at 31 December based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year RM'000
Group					
2013					
Trade payables	4,891	-	4,891	4,891	-
Non-trade payables and accruals	19,807	-	19,807	19,807	-
Term loans	75,675	5.40% to 6.00%	94,470	11,451	83,019
	100,373		119,168	36,149	83,019
Group					
2012					
Trade payables	2,136	-	2,136	2,136	-
Non-trade payables and accruals	19,032	-	19,032	19,032	-
Term loans	76,844	3.75% to 6.20%	95,008	10,944	84,064
	98,012		116,176	32,112	84,064

notes to the financial statements
as at 31 December 2013

30. Financial instruments (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year RM'000
Company					
2013					
Non-trade payables and accruals	865	-	865	865	-
2012					
Non-trade payables and accruals	299	-	299	299	-

31. Fair values of financial instruments

The following summarises the methods used to determine the fair values of the financial instruments:

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short term maturity of the financial instruments.

(ii) The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

31. Fair values of financial instruments (continued)

The aggregate fair values and the carrying amount of the financial assets and financial liabilities carried on the statement of financial position as at 31 December are as below:

	2013		2012	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial asset:				
Other investment	98,580	98,580	57,454	57,454
Financial liability:				
Term loans	75,675	75,675	76,844	76,844
Company				
Financial asset:				
Other investment	88,743	88,743	53,504	53,504

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

notes to the financial statements

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31. Fair values of financial instruments (continued)

Fair value hierarchy (continued)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2013				
Financial asset				
Other investment	98,489	91	-	98,580
Financial liability				
Term loans	-	75,675	-	75,675
2012				
Financial asset				
Other investment	57,363	91	-	57,454
Financial liability				
Term loans	-	76,844	-	76,844
Company				
2013				
Financial asset				
Other investment	88,652	91	-	88,743
2012				
Financial asset				
Other investment	53,413	91	-	53,504

32. Capital management

The Group and the Company manage its capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support its business and maximise shareholder(s) value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage its capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity.

Net debt is calculated based on trade and non-trade payables plus term loans, less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period was as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade payables	4,891	2,136	-	-
Non-trade payables and accruals	19,807	19,032	865	299
Term loans	75,675	76,844	-	-
	100,373	98,012	865	299
Less: Cash and cash equivalents	(20,509)	(35,362)	(8,146)	(3,060)
Investment in money market funds	(48,510)	(19,590)	(38,673)	(15,640)
Net debt	31,354	43,060	(45,954)	(18,401)
Total equity	343,713	345,309	354,551	343,580
Total capital	375,067	388,369	308,597	325,179
Debt-to-equity ratio (times)	0.09	0.12	(0.13)	(0.05)

33. General information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on Bursa Malaysia Securities Berhad.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are stated in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The registered office and principal place of business of the Company is located at Suite 3.01, Level 3 (South Block), The AmpWalk, 218, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan.

The financial statements were approved and authorised for issue by the Board of Directors on 21 March 2014.

notes to the financial statements
as at 31 December 2013

34. Supplementary information on the breakdown of realised and unrealised profits/(losses)

The breakdown of the retained profits of the Group and of the Company as at 31 December 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and presented in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2013 RM'000	Company 2013 RM'000
Total accumulated profits/(losses) of the Company and its subsidiaries:		
- Realised profits	13,743	8,416
- Unrealised losses	(6,217)	-
Total share of profits from associated company:		
- Realised profits	-	-
- Unrealised losses	-	-
	7,526	8,416

	Group 2012 RM'000	Company 2012 RM'000
Total accumulated profits/(losses) of the Company and its subsidiaries:		
- Realised profits	16,062	9,651
- Unrealised losses	(13,043)	-
Total share of profits from associated company:		
- Realised profits	8,932	-
- Unrealised losses	(1,449)	-
	10,502	9,651

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PLENITUDE AS AT 30 JUNE 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON

BAKER TILLY

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30 April 2015

The Board of Directors
Plenitude Berhad
2nd Floor, No. 2 Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

STRICTLY CONFIDENTIAL

Dear Sirs,

PLENITUDE BERHAD AND ITS SUBSIDIARIES
Report on the Compilation of Proforma Consolidated Statement of Financial Position

We have completed our assurance engagement to report on the compilation of Proforma Consolidated Statement of Financial Position of Plenitude Berhad ("Plenitude" or "the Company") and its subsidiaries ("the Group") as at 30 June 2014 for which the directors of Plenitude are solely responsible. The Proforma Consolidated Statement of Financial Position consists of the consolidated statements of financial position as at 30 June 2014 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of Plenitude have compiled the Proforma Consolidated Statement of Financial Position are as described in Note 1 to the Proforma Consolidated Statement of Financial Position ("Applicable Criteria").

The Proforma Consolidated Statement of Financial Position of the Group has been compiled by the directors of Plenitude to illustrate the impact of the conditional take-over offer by Plenitude to acquire all the ordinary shares of RM1.00 each in The Nomad Group Bhd ("TNGB") ("Offer Shares") at an offer price of RM1.25 per Offer Share to be satisfied through the issuance of new ordinary shares of RM1.00 each in Plenitude ("Plenitude shares") at an issue price of RM2.50 each ("Consideration Shares") where each holder of the Offer Shares who accepts the offer will receive one (1) Consideration Share for every two (2) Offer Shares surrendered ("Proposed offer") on the Group's financial position as at 30 June 2014, as if the Proposed Offer had taken place at 30 June 2014.

As part of this process, information about the Group's financial position has been extracted by the directors of Plenitude from the audited consolidated financial statements of the Group for the financial year ended 30 June 2014, on which an audit report dated 18 September 2014 has been published to the members of Plenitude without any modifications.

BAKER TILLY

PLENITUDE BERHAD AND ITS SUBSIDIARIES
Proforma Consolidated Statement of Financial Position as at 30 June 2014

Directors' Responsibility for the Proforma Consolidated Statements of Financial Position

The directors of Plenitude are responsible for compiling the Proforma Consolidated Statement of Financial Position based on the Applicable Criteria.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines about whether the Proforma Consolidated Statement of Financial Position has been compiled, in all material respects, by the directors of Plenitude based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Proforma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of Plenitude have compiled, in all material respects, the Proforma Consolidated Statement of Financial Position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Consolidated Statement of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Consolidated Statement of Financial Position.

The purpose of Proforma Consolidated Statement of Financial Position is for inclusion in the circular to shareholders of Plenitude in connection with the Proposed Offer and is solely to illustrate the impact of the Proposed Offer on the unadjusted financial information of the Group as if the Proposed Offer had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Offer would have been as presented.

A reasonable assurance engagement to report on whether the Proforma Consolidated Statement of Financial Position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of Plenitude in the compilation of the Proforma Consolidated Statement of Financial Position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Offer, and to obtain sufficient appropriate evidence about whether:-

(a) The related proforma adjustments give appropriate effect to those criterias; and

(b) The Proforma Consolidated Statement of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Proforma Consolidated Statement of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Proforma Consolidated Statement of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:-

(i) the Proforma Consolidated Statement of Financial Position of the Group as at 30 June 2014 have been properly compiled on the basis set out in the accompanying notes to the Proforma Consolidated Statement of Financial Position based on the audited financial statements of the Group for the financial year ended 30 June 2014 (which have been prepared by the directors of Plenitude in accordance with the Financial Reporting Standards in Malaysia), and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the financial year ended 30 June 2014; and

(ii) each material adjustment made to the information used in the preparation of the Proforma Consolidated Statement of Financial Position of the Group as at 30 June 2014 is appropriate for the purposes of preparing the Proforma Consolidated Statement of Financial Position.

Other matters

This letter has been prepared for the inclusion in the circular of shareholders of Plenitude in connection with the Proposed Offer and is not to be used, circulated, quoted or otherwise referenced to in any document or used for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

....
BAKER TILLY MONTEIRO HENG

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF PLENITUDE AS AT 30 JUNE 2014 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON *(Cont'd)*

PLENITUDE BERHAD AND ITS SUBSIDIARIES

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

The Proforma Consolidated Statement of Financial Position of Plenitude Berhad ("Plenitude" or "the Company") and its subsidiaries ("the Group") as at 30 June 2014 as set out below for which the directors of Plenitude are solely responsible, have been prepared for illustrative purposes only to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2014 had the transactions as described in Note 2 and the proposal as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying to the Proforma Consolidated Statement of Financial Position.

	Audited Consolidated Statement of Financial Position as at 30 June 2014 RM'000	Adjusted Consolidated Statement of Financial Position as at 30 June 2014 RM'000	Proforma I After the Proposed Offer RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	46,355	212,263	489,073
Land held for future development	193,916	193,916	193,916
Property development projects	163,303	163,303	163,303
Investment properties	46,629	46,629	46,629
Other investments	85	85	85
Goodwill on consolidation	-	-	7,949
Deferred tax assets	21,420	21,420	21,420
	471,708	637,616	922,375
Current assets			
Property development projects	140,464	140,464	140,464
Inventories	38,274	38,274	38,643
Trade and other receivables	71,287	68,085	83,629
Accrued billings	9,881	9,881	9,881
Tax recoverable	6,592	6,592	6,671
Other investments	-	-	118,420
Fixed income trust fund	100,260	50,060	50,060
Fixed deposits with licensed banks	196,490	73,592	101,082
Cash and bank balances	99,605	93,797	100,433
	662,853	480,745	649,283
Assets classified as held for sale	-	-	384
TOTAL ASSETS	1,134,561	1,118,361	1,572,042

BAKER TILLY MONTEIRO HENG ★ For Identification Purposes Only

PLENITUDE BERHAD AND ITS SUBSIDIARIES

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

	Audited Consolidated Statement of Financial Position as at 30 June 2014 RM'000	Adjusted Consolidated Statement of Financial Position as at 30 June 2014 RM'000	Proforma I After the Proposed Offer RM'000
EQUITY AND LIABILITIES			
Share capital	270,000	270,000	381,534
Share premium	-	-	166,300
Retained earnings	710,540	694,340	774,998
TOTAL EQUITY	980,540	964,340	1,322,832
Non-current liabilities			
Term loans	-	-	60,511
Deferred taxation	5,514	5,514	17,747
	5,514	5,514	78,258
Current liabilities			
Trade and other payables	135,814	135,814	148,554
Advanced billings	12,005	12,005	12,005
Term loans	-	-	8,400
Tax liabilities	688	688	1,501
	148,507	148,507	170,460
Liabilities classified as held for sale	-	-	492
TOTAL LIABILITIES	154,021	154,021	249,210
TOTAL EQUITY AND LIABILITIES	1,134,561	1,118,361	1,572,042
Number of ordinary shares of RM1.00 each ('000)	270,000	270,000	381,534
Net assets (RM'000) *	980,540	964,340	1,322,832
Net assets per ordinary share (RM) *	3.63	3.57	3.47

* *Attributable to the owners of Plenitude.*

BAKER TILLY MONTEIRO HENG * For Identification Purposes Only *

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

1. **Basis of Preparation**

1.1 The Proforma Consolidated Statement of Financial Position of the Group as at 30 June 2014, for which the directors are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited consolidated statement of financial position of the Group as at 30 June 2014 had the transactions as described in Note 2 and the proposal as described in Note 3 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

1.2 The Proforma Consolidated Statement of Financial Position of the Group as at 30 June 2014 have been prepared in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited consolidated financial statements for the financial year ended 30 June 2014, which have been prepared in accordance with the Financial Reporting Standards in Malaysia

1.3 The audited financial statements of the Company for the financial year ended 30 June 2014 were reported by the auditors to the members on 18 September 2014 without any modifications.

2. **Adjusted Consolidated Statement of Financial Position as at 30 June 2014**

The audited consolidated statement of financial position of the Group as at 30 June 2014 was adjusted for the following material transactions prior to the implementation of the proposal as described in Note 3:-

2.1 <u>Payment of Final Dividends</u>

The Board of Directors of Plenitude had on 3 October 2014 proposed a final single-tier dividend of 6 sen per ordinary share for the financial year ended 30 June 2014 ("Final Dividend"). The Final Dividend was approved by the shareholders at the Annual General Meeting on 29 October 2014 and the payments were made on 14 November 2014 ("Payment of Final Dividends").

The Payment of Final Dividend had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2014:-

	Increase/(Decrease) Effects on Total Assets RM'000	Effects on Total Equity RM'000
Fixed deposits with licensed bank	(16,200)	-
Retained earnings	-	(16,200)
	(16,200)	(16,200)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

2. **Adjusted Consolidated Statement of Financial Position as at 30 June 2014 (Continued)**

2.2 **Acquisition of The Gurney Resort & Residences**

On 24 July 2014, the Board of Directors of Plenitude announced that Plenitude International Sdn Bhd ("PISB"), a wholly-owned subsidiary of Plenitude had on the even date entered into a sale and purchase agreement with Lembaga Kumpulan Wang Simpanan Pekerja to acquire a 259-suite hotel known as The Gurney Resort & Residences, retail units and 551 car park bays which bear postal address of 18, Persiaran Gurney, 10250 Georgetown, Penang, together with the furniture, fixtures, fittings and equipment, the information technologies system, the supplies and the food and beverages for a total cash consideration of RM160.10 million ("Acquisition"). As at 30 June 2014, Plenitude had paid RM3,202 million as deposit for the Acquisition. The Acquisition was completed on 18 March 2015. The expenses which includes the stamp duty, registration fee and other related expenses of approximately RM5.81 million incurred in connection with the Acquisition were capitalised as property, plant and equipment.

The Acquisition had the following impact on the audited consolidated statement of financial position of the Group as at 30 June 2014:-

	Increase/ (Decrease) Effects on Total Assets RM'000
Property, plant and equipment	165,908
Trade and other receivables	(3,202)
Fixed income trust fund	(50,200)
Fixed deposits with licensed banks	(106,698)
Cash and bank balances	(5,808)
	-

3. **The Proposal**

3.1 The Board of Directors of Plenitude has proposed to undertake the conditional take-over offer by Plenitude to acquire all the ordinary shares of RM1.00 each in The Nomad Group Bhd ("TNGB") ("Offer Shares") at an offer price of RM1.25 per Offer Share to be satisfied through the issuance of new ordinary shares of RM1.00 each in Plenitude ("Plenitude shares") at an issue price of RM2.50 each ("Consideration Share(s)") where each holder of the Offer Shares who accepts the offer will receive one (1) Consideration Share for every two (2) Offer Shares surrendered ("Proposed Offer").

BAKER TILLY MONTEIRO HENG * For Identification Purposes Only *

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

4. Proforma Consolidated Statement of Financial Position

4.1 Proforma I

Proforma I incorporates the effects of the adjusted consolidated statement of financial position of the Group as at 30 June 2014 and the Proposed Offer as described in Note 3.1.

For the purpose of the preparation of the Proforma Consolidated Statement of Financial Position of Plenitude as at 30 June 2014 and for illustrative purposes only, based on TNGB's issued and paid-up share capital comprising 223,067,538 Offer Share as at 30 April 2015, being the latest practicable date prior to the printing of this Circular ("LPD"), the maximum number of Plenitude Shares to be issued by the Company under the Proposed Offer is 111,533,769 Consideration Shares,

For the purpose of the preparation of the Proforma Consolidated Statement of Financial Position of Plenitude as at 30 June 2014 and for illustrative purposes only, the directors of Plenitude have not taken into consideration any fair value adjustments in respect of the assets and liabilities of the TNGB Group to be acquired as the directors of Plenitude have assumed that the fair values of the identifiable assets and liabilities of the TNGB Group are approximately their audited net carrying amounts as at 31 December 2014.

The Proposed Offer will result in the excess of the sum of the net fair value of the TNGB Group's identifiable assets and liabilities over the fair value of the consideration transferred pursuant to the Proposed Offer as below:-

	RM'000
Purchase consideration	278,834
Less: Share of net fair value of the identifiable assets, liabilities of the TNGB Group based on the audited consolidated net assets of the TNGB Group as at 31 December 2014	359,492
	(80,658)

The estimated expenses to be incurred in relation to the Proposed Offer of RM1.0 million will be debited to the Share Premium Account.

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

4. **Proforma Consolidated Statement of Financial Position (Continued)**

4.1 **Proforma I (Continued)**

The Proposed Offer will have the following impact on the adjusted consolidated statement of financial position of the Group as at 30 June 2014:-

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity and Liabilities RM'000
Property, plant and equipment	276,810	-
Goodwill on consolidation	7,949	-
Inventories	369	-
Trade and other receivables	15,544	-
Tax recoverable	79	-
Other investments - current	118,420	-
Fixed deposits with licensed banks	27,490	-
Cash and bank balances	7,636	-
Assets classified as held for sale	384	-
Share capital	-	111,534
Share premium	-	167,300
Retained earnings	-	80,658
Term loans - non-current	-	60,511
Deferred tax liabilities	-	12,233
Trade and other payables	-	12,740
Term loans - current	-	8,400
Tax liabilities	-	813
Liabilities classified as held for sale		492
	454,681	454,681

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

5. Movements in Share Capital and Reserves

	← Share capital →			
	Number of Shares '000	Amount RM'000	Share Premium RM'000	Retained Earnings RM'000
Audited consolidated statement of financial position as at 30 June 2014	270,000	270,000	-	710,540
Arising from the Payment of Final Dividends	-	-	-	(16,200)
Adjusted consolidated statement of financial position as at 30 June 2014	270,000	270,000	-	694,340
Arising from the Proposed Offer				
- issuance of Consideration Shares	111,534	111,534	167,300	-
- defrayment of estimated expenses in relation to the Proposed Offer	-	-	(1,000)	-
- the excess of the sum of the net fair value of the TNGB Group's identifiable assets and liabilities over the fair value of the consideration transferred pursuant to the Proposed Offer	-	-	-	80,658
Per Proforma I	381,534	381,534	166,300	774,998

NOTES TO THE PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Continued)

6. Movements in Cash and Cash Equivalents

	Fixed Income Trust Fund RM'000	Fixed Deposits with Licensed Banks RM'000	Cash and Bank Balances RM'000	Total RM'000
Audited consolidated statement of financial position as at 30 June 2014	100,260	196,490	99,605	396,355
Arising from the Payment of Final Dividends	-	(16,200)	-	(16,200)
Arising from the Acquisition				
- cash consideration	(50,200)	(106,698)	-	(156,898)
- defrayment of the estimated expenses in relation to the Acquisition	-	-	(5,808)	(5,808)
Adjusted consolidated statement of financial position as at 30 June 2014	50,060	73,592	93,797	217,449
Arising from the Proposed Offer				
- defrayment of estimated expenses in relation to the Proposed Offer	-	-	(1,000)	(1,000)
- fixed deposits with licensed bank of the TNGB Group acquired	-	27,490	-	27,490
- cash and bank balances of the TNGB Group acquired	-	-	7,636	7,636
Per Proforma I	50,060	101,082	100,433	251,575

BAKER TILLY MONTEIRO HENG * For Identification Purposes Only *

PLENITUDE BERHAD AND ITS SUBSIDIARIES

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Plenitude Berhad in accordance with a resolution dated 02 MAR 2015

....
CHUA ELSIE
Director

BAKER TILLY MONTEIRO HENG * For Identification Purposes Only *

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the directors of the Company and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

2.1 Mercury Securities

The written consent of Mercury Securities, being the Principal Adviser for the Proposed Offer, for the inclusion of its name in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

As at the LPD, Mercury Securities is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Principal Adviser for the Proposed Offer.

2.2 BTMH

The written consent of BTMH, being the Reporting Accountants, for the inclusion of its Reporting Accountants' Report in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

As at the LPD, BTMH is not aware of any existing conflict of interest nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its capacity as the Reporting Accountants to the Company in relation to the Proposed Offer.

3. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Offer, there are no other corporate exercises which have been announced by the Company and are pending completion as at the LPD.

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4. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of Plenitude Shares for the past 12 months from April 2014 to March 2015 *(being the last full trading month prior to the LPD)* are as follows:-

	High	Low
	RM	RM
2014		
April	3.04	2.56
May	2.95	2.80
June	2.83	2.73
July	3.13	2.78
August	3.59	2.87
September	3.20	3.00
October	3.06	2.60
November	2.85	2.59
December	2.59	2.03
2015		
January	2.40	2.20
February	2.38	2.26
March	2.47	2.25

Last transacted market price on 2 March 2015, being the LTD prior to the announcement of the Proposed Offer (RM)	2.32
Last transacted market price on 30 April 2015, being the LPD (RM)	2.33

(Source: Bloomberg)

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Material commitments

As at the LPD, the Plenitude Board is not aware of any material commitments incurred or known to be incurred by the Plenitude Group, which upon becoming due or enforceable may have a material impact on the profits or NA value of the Plenitude Group.

Contingent liabilities

As at the LPD, the Plenitude Board is not aware of any contingent liabilities incurred or known to be incurred by the Plenitude Group, which may have a material impact on the profits or NA of the Plenitude Group.

6. MATERIAL LITIGATION

As at the LPD, neither Plenitude nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position of the Plenitude Group and, to the best of the Plenitude Board's knowledge and belief, the Plenitude Board is not aware of any proceedings pending or threatened against the Plenitude Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Plenitude Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Plenitude at 2nd Floor, No. 2, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the EGM:-

(i) Memorandum and Articles of Association of the Company;

(ii) Memorandum and Articles of Association of TNGB;

(iii) audited consolidated financial statements of Plenitude for the FYE 30 June 2013 and FYE 30 June 2014 as well as latest unaudited consolidated financial results for the six (6)-month FPE 31 December 2014;

(iv) audited consolidated financial statements of TNGB for the FYE 31 December 2012, FYE 31 December 2013 and FYE 31 December 2014;

(v) pro forma consolidated statement of financial position of Plenitude as at 30 June 2014 together with the Reporting Accountants' Report;

(vi) a copy of the Notice dated 2 March 2015 referred to in Section 1 of this Circular;

(vii) a copy of the Offer Document dated 6 May 2015 referred to in Section 1 of this Circular; and

(viii) letters of consent issued by each of Mercury Securities and BTMH referred to in Section 2 of this Appendix IV.

PLENITUDE BERHAD

PLENITUDE BERHAD (531086-T)

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**") of Plenitude Berhad ("**Plenitude**" or the "**Company**") will be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 21 May 2015 at 3.00 p.m. for the purpose of considering and, if thought fit, passing, with or without any modification, the following resolution:-

ORDINARY RESOLUTION

CONDITIONAL TAKE-OVER OFFER BY PLENITUDE TO ACQUIRE ALL THE ORDINARY SHARES OF RM1.00 EACH IN THE NOMAD GROUP BHD ("TNGB") ("OFFER SHARES") AT AN OFFER PRICE OF RM1.25 PER OFFER SHARE TO BE SATISFIED THROUGH THE ISSUANCE OF NEW ORDINARY SHARES OF RM1.00 EACH IN PLENITUDE AT AN ISSUE PRICE OF RM2.50 EACH ("CONSIDERATION SHARES"), WHERE EACH HOLDER OF THE OFFER SHARES ("HOLDERS") WHO ACCEPTS THE OFFER WILL RECEIVE ONE (1) CONSIDERATION SHARE FOR EVERY TWO (2) OFFER SHARES SURRENDERED ("PROPOSED OFFER" OR "OFFER")

"**THAT** subject to Plenitude having received, before the close of the Offer, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn) by the Holders in respect of the Offer Shares which would result in Plenitude holding more than 50% of the voting shares of TNGB and the approvals of the relevant authorities being obtained, authority be and is hereby given to the Board of Directors of Plenitude ("**Board**") to carry out and proceed to acquire the Offer Shares from the Holders at an offer price of RM1.25 per Offer Share to be satisfied through the issuance of Consideration Shares at an issue price of RM2.50 each, where each Holder who accepts the Offer will receive one (1) Consideration Share for every two (2) Offer Shares surrendered;

THAT subject to the approvals of the relevant authorities being obtained, authority be and is hereby given to the Directors of Plenitude to issue and allot up to 111,533,769 Consideration Shares at any time to such persons pursuant to the Offer in accordance with the terms and conditions contained in the Offer Document dated 6 May 2015;

THAT the Consideration Shares shall, upon issue and allotment, rank *pari passu* in all respects with the then existing Plenitude Shares, save and except that the holders of such Consideration Shares shall not be entitled to any dividend, right, allotment and/or distribution, the entitlement date of which is prior to the date of allotment of such Consideration Shares;

AND THAT in order to implement, complete and give full effect to the Proposed Offer, approval be and is hereby given to the Board to do or to procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of Plenitude, all such documents as it may deem necessary, expedient and/or appropriate to implement, complete and give full effect to the Proposed Offer, with full powers to assent to any condition, modification, variation and/or amendment thereto as the Board may deem fit in connection with the Proposed Offer and in the best interest of Plenitude."

By Order of the Board
PLENITUDE BERHAD

WONG KEO ROU (MAICSA 7021435)
Company Secretary

Kuala Lumpur
6 May 2015

Notes:-

1. *A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.*
2. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
3. *Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.*
6. *To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.*
7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 13 May 2015, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

PLENITUDE BERHAD (531086-T)
(Incorporated in Malaysia)

CDS ACCOUNT NO.	- -
No. OF SHARES HELD	

FORM OF PROXY

I/We ………
(FULL NAME IN BLOCK LETTERS)
(NRIC No/Passport No/Company Registration No:……………………………………………………………)

of ………
(FULL ADDRESS)
being a member/members of PLENITUDE BERHAD, hereby appoint ………………………………………………

……………………………………………………………………(NRIC No/Passport No:……………………………)
(FULL NAME IN BLOCK LETTERS)

of ………
(FULL ADDRESS)

or failing him…………………………………………………(NRIC No/Passport No:………………………………)
(FULL NAME IN BLOCK LETTERS)

of ………
(FULL ADDRESS)

or failing him, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Thursday, 21 May 2015** at 3.00 p.m. and at any adjournment thereof.

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Offer		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

The proportion of my/ our proxies* (note 2 below) are as follows not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total shares held		100%

Dated this ………….. day of ………………………….. 2015

……………………………………………
Signature(s) of member

Notes:-

1. *A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a General Meeting of the Company shall have the same rights as the member to speak at the General Meeting.*
2. *Where a Member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ('omnibus account') there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
3. *Where a Member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.*
6. *To be valid, this form, duly completed must be deposited at the registered office of the Company not less than forty eight (48) hours before the time for holding the meeting or any adjournment thereof. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting.*
7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 13 May 2015, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE COMPANY SECRETARY
PLENITUDE BERHAD (531086-T)
2nd Floor, No. 2
Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

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