



PLENITUDE BERHAD

(Company No. 531086-T)

(Incorporated in Malaysia under the Companies Act, 1965)

14 May 2015

ADDENDUM TO THE CIRCULAR TO SHAREHOLDERS DATED 6 MAY 2015 IN RELATION TO THE CONDITIONAL TAKE-OVER OFFER BY PLENITUDE BERHAD TO ACQUIRE THE ENTIRE EQUITY INTEREST IN THE NOMAD GROUP BHD ("CIRCULAR")

Unless otherwise stated, definitions used hereunder shall have the same meanings as those defined in the Circular.

We refer to the Circular and wish to notify the following:-

- (i) Appendix II (pages 37 to 105 and referred to in page iv) attaches and should be titled as "AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER **2013**" instead of "AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014"; and
- (ii) The audited consolidated financial statements of TNGB for the FYE 31 December 2014 ("**Audited Accounts 2014**") together with its errata on page 50 of the Audited Accounts 2014 as announced by TNGB via its explanatory letter on 7 May 2015 ("**Errata**") are attached herewith. For the avoidance of doubt, all references to the Audited Accounts 2014 in the Circular shall include the Errata and are to be read accordingly.

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THE NOMAD GROUP BHD

(Co. No. 426627-H)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2014
(In Ringgit Malaysia)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD

(Co. No. 426627-H)

(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS	Datuk Mohd Nasir Bin Ali (Chairman) Lok Bah Bah@Loh Yeow Boo Josephine Premla Sivaretnam Tee Kim Chan
COMPANY SECRETARY	Jenny Wong Chew Boey (MAICSA 7006120)
AUDITORS	PKF AF 0911 Chartered Accountants
AUDIT COMMITTEE	Lok Bah Bah@Loh Yeow Boo (Chairman) Datuk Mohd Nasir Bin Ali Tee Kim Chan
REGISTERED OFFICE	Suite 3.01, Level 3 (South Block) The Ampwalk, 218, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan. Tel: 03-2775 2828 Fax: 03-2775 2323
SHARE REGISTRAR	ShareWorks Sdn. Bhd. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan. Tel: 03-6201 1120 Fax: 03-6201 3121
PRINCIPAL BANKERS	Alliance Bank Malaysia Berhad Malayan Banking Berhad OCBC Bank (Malaysia) Berhad Public Bank Berhad
STOCK EXCHANGE LISTING	Main Market of Bursa Malaysia Securities Berhad

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
 (Co. No. 426627-H)
 (Incorporated in Malaysia)

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 2014.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are stated in Note 11 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/(Loss) for the financial year attributable to:		
Equity holders of the Company	12,499	(4,737)

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

In respect of the financial year ended 31 December 2013, the Directors declared a single tier dividend of 2 sen per ordinary share of RM1.00 each, amounting to RM4,461,351 which was paid on 19 May 2014.

The Directors do not recommend any further dividend to be declared in respect of the financial year ended 31 December 2014.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
 (Co. No. 426627-H)
 (Incorporated in Malaysia)

Directors

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

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

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:

Shareholdings registered in the name of the Directors:	Number of Ordinary Shares of RM1.00 each			Balance as at 31.12.2014
	Balance as at 1.1.2014	Bought	Sold	
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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD

(Co. No. 426627-H)

(Incorporated in Malaysia)

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.

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD

(Co. No. 426627-H)

(Incorporated in Malaysia)

Other statutory information (continued)

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 2014 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.

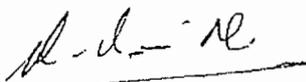
Subsequent events

The subsequent events are disclosed in Note 33 to the financial statements.

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

23 APR 2015

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD

(Co. No. 426627-H)

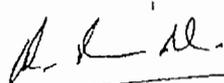
(Incorporated in Malaysia)

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 10 to 92 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 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information as set out in Note 36 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

23 APR 2015

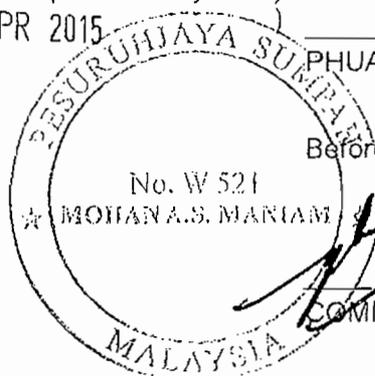
STATUTORY DECLARATION PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965 IN MALAYSIA

I, PHUA CHIU LENG, 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 10 to 92 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 23 APR 2015

PHUA CHIU LENG

Before me,



COMMISSIONER FOR OATHS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

PKF
(AF 0911)**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 2014 of the Group and of the Company, 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 10 to 92.

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.

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

Accountants &
business advisers**THE NOMAD GROUP BHD**
(Co. No. 426627-H)
(Incorporated in Malaysia)***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 Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

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 11 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 36 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER
2014 (Cont'd)



Accountants &
business advisers

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)

OTHER MATTERS

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.

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PKF
AF 0911
CHARTERED ACCOUNTANTS

Kuala Lumpur

23 APR 2015

A handwritten signature in black ink, appearing to be 'Yong Chung Sin', written over a horizontal line.

YONG CHUNG SIN
2892/04/16 (J)
CHARTERED ACCOUNTANT

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

**STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CONTINUING OPERATIONS					
Revenue	3	56,523	76,291	16,883	6,749
Other income		4,118	11,918	1,865	1,590
Employee benefits	4	(16,086)	(21,007)	(947)	(1,243)
Depreciation and amortisation		(8,698)	(12,668)	(13)	(39)
Other expenses		(21,206)	(40,821)	(417)	(538)
Profit from operations		14,651	13,713	17,371	6,519
Finance income		121	335	-	54
Finance costs	5	(4,354)	(4,428)	-	-
Share in results of an associate company		-	(1,265)	-	-
Impairment for investment in subsidiaries	11	-	-	(22,044)	-
(Impairment)/Reversal of impairment for investment in an associate company	12	-	(1,128)	-	609
Profit/(Loss) before tax	6	10,418	7,227	(4,673)	7,182
Tax expense	7	(2,012)	(1,838)	(64)	(52)
Profit/(Loss) from continuing operations		8,406	5,389	(4,737)	7,130
Discontinued operation					
Profit from discontinued operation, net of tax	8	4,093	-	-	-
Profit/(Loss) for the year		12,499	5,389	(4,737)	7,130

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

**STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) for the year		12,499	5,389	(4,737)	7,130
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss:					
Share of associate company movement in other comprehensive income		-	(4,442)	-	-
Items that may be reclassified subsequently to profit or loss:					
Fair value adjustment on available-for-sale financial assets	13	(789)	12,206	(789)	12,206
Foreign currency translation difference for foreign operation		8,530	(6,384)	-	-
		<u>7,741</u>	<u>5,822</u>	<u>(789)</u>	<u>12,206</u>
Other comprehensive income/(loss), net of tax		<u>7,741</u>	<u>1,380</u>	<u>(789)</u>	<u>12,206</u>
Total comprehensive income/(loss) for the year		<u><u>20,240</u></u>	<u><u>6,769</u></u>	<u><u>(5,526)</u></u>	<u><u>19,336</u></u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	276,810	295,584	46	28
Investment in subsidiaries	11	-	-	221,766	238,510
Investment in an associate	12	-	-	-	-
Other investments	13	-	91	-	91
Non-trade receivables	14	-	4,997	-	-
Goodwill	15	7,949	12,134	-	-
		<u>284,759</u>	<u>312,806</u>	<u>221,812</u>	<u>238,629</u>
Current assets					
Inventories	16	369	373	-	-
Trade receivables	17	2,512	2,615	-	-
Non-trade receivables, deposits and prepayments	14	13,032	2,653	30	55
Tax recoverable		79	151	43	-
Amount due from subsidiaries	18	-	-	110	1,869
Other investments	13	118,420	98,489	111,833	88,652
Deposits, cash and bank balances	19	35,126	20,509	22,024	8,146
Dividend receivable		-	-	6,200	-
		<u>169,538</u>	<u>124,790</u>	<u>140,240</u>	<u>98,722</u>
Assets classified as held for sale	20	384	18,484	-	18,484
Total current assets		<u>169,922</u>	<u>143,274</u>	<u>140,240</u>	<u>117,206</u>
TOTAL ASSETS		<u>454,681</u>	<u>456,080</u>	<u>362,052</u>	<u>355,835</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	21	223,068	223,068	223,068	223,068
Reserves	22	136,424	120,645	121,496	131,483
TOTAL EQUITY		<u>359,492</u>	<u>343,713</u>	<u>344,564</u>	<u>354,551</u>
LIABILITIES					
Non-current liabilities					
Bank borrowings	23	60,511	68,525	-	-
Deferred tax liabilities	24	12,233	11,653	-	-
		<u>72,744</u>	<u>80,178</u>	<u>-</u>	<u>-</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (continued)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current liabilities					
Trade payables	25	2,070	4,891	-	-
Non-trade payables and accruals	25	10,670	19,807	316	865
Amount due to subsidiaries	18	-	-	17,172	419
Bank borrowings	23	8,400	7,150	-	-
Provision for taxation		813	341	-	-
		<u>21,953</u>	<u>32,189</u>	<u>17,488</u>	<u>1,284</u>
Liabilities classified as held for sale	20	492	-	-	-
Total current liabilities		<u>22,445</u>	<u>32,189</u>	<u>17,488</u>	<u>1,284</u>
TOTAL LIABILITIES		<u>95,189</u>	<u>112,367</u>	<u>17,488</u>	<u>1,284</u>
TOTAL EQUITY AND LIABILITIES		<u>454,681</u>	<u>456,080</u>	<u>362,052</u>	<u>355,835</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to equity holders of the Company				Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Non-distributable			
Group							
At 1 January 2013	223,068	79,437	35,866	(3,564)	10,502	345,309	
Profit for the year	-	-	-	-	5,389	5,389	
Foreign currency translation difference for foreign operation	-	-	-	(6,384)	-	(6,384)	
Fair value adjustment on available-for-sale financial assets	-	-	12,206	-	-	12,206	
Share of associate company movement in other comprehensive income	-	-	(4,442)	-	-	(4,442)	
Other comprehensive income for the year	-	-	7,764	(6,384)	-	1,380	
Dividends paid to shareholders of the Company (Note 26)	-	-	-	-	(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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to equity holders of the Company					Total RM'000
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
Group						
At 1 January 2014	223,068	79,437	43,630	(9,948)	7,526	343,713
Profit for the year	-	-	-	-	12,499	12,499
Foreign currency translation difference for foreign operation	-	-	-	8,530	-	8,530
Fair value adjustment on available-for-sale financial assets	-	-	(789)	-	-	(789)
Other comprehensive income for the year	-	-	(789)	8,530	-	7,741
Dividends paid to shareholders of the Company (Note 26)	-	-	-	-	(4,461)	(4,461)
At 31 December 2014	223,068	79,437	42,841	(1,418)	15,564	359,492

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Company	Attributable to equity holders of the Company				Total RM'000
	Share capital RM'000	Share premium RM'000	Fair value reserve RM'000	Distributable Retained earnings/ (Accumulated losses) RM'000	
At 1 January 2013	223,068	79,437	31,424	9,651	343,580
Profit for the year	-	-	-	7,130	7,130
Fair value adjustment on available-for-sale financial assets	-	-	12,206	-	12,206
Other comprehensive income for the financial year	-	-	12,206	-	12,206
Dividends paid to shareholders of the Company (Note 26)	-	-	-	(8,365)	(8,365)
At 31 December 2013	223,068	79,437	43,630	8,416	354,551
Loss for the year	-	-	-	(4,737)	(4,737)
Fair value adjustment on available-for-sale financial assets	-	-	(789)	-	(789)
Other comprehensive loss for the financial year	-	-	(789)	-	(789)
Dividends paid to shareholders of the Company (Note 26)	-	-	-	(4,461)	(4,461)
At 31 December 2014	223,068	79,437	42,841	(782)	344,564

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
(Co. No. 426627-H)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash flows from operating activities					
Profit/(loss) before tax from continuing operations		10,418	7,227	(4,673)	7,182
Profit before tax from discontinued operations		4,921	-	-	-
Profit/(loss) before tax		15,339	7,227	(4,673)	7,182
Adjustment for:					
Impairment for investment in subsidiaries		-	-	22,044	-
Allowance for impairment of trade receivables		5	8	-	-
Reversal of impairment of trade receivables		(5)	(13)	-	-
Bad debts written off		24	5	-	-
Depreciation of property, plant and equipment		12,334	12,668	13	39
Interest income		(811)	(578)	(225)	(297)
Dividend income		(3,158)	(3,006)	(16,658)	(6,506)
Goodwill impairment		3,807	-	-	-
Interest expense		4,354	4,428	-	-
Share in results of an associate company		-	1,265	-	-
Impairment/(Reversal of impairment) of investment in an associate		-	1,128	-	(609)
Fair value gain on financial assets at FVTPL		(2,039)	(1,228)	(1,801)	(1,023)
Property, plant and equipment written off		49	193	-	1
Gain on disposal of other investments		(29)	-	(29)	-
Gain on disposal of non-current asset held for sale		-	(7,179)	-	-
(Gain)/Loss on disposal of property, plant and equipment		(13,739)	75	(18)	-
Unrealised (gain)/loss on foreign exchange		(139)	(5,436)	-	291
Operating profit/(loss) before working capital changes		15,992	9,557	(1,347)	(922)
Decrease/(Increase) in inventories		4	(160)	-	-
Dividend receivables		-	-	(6,200)	-
(Increase)/Decrease in trade and non-trade receivables		(5,379)	84	25	(31)
Decrease/Increase in amount due from/to subsidiaries		-	-	18,512	18,359
(Decrease)/Increase in trade and non-trade payables		(11,467)	3,493	(549)	566

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

THE NOMAD GROUP BHD
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STATEMENTS OF CASH FLOWS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash (used in)/generated from operations		(850)	12,974	10,441	17,972
Income tax refund		26	1,856	-	6
Income tax paid		(1,698)	(2,788)	(107)	(50)
Interest received		809	566	225	297
Net cash (used in)/generated from operating activities		(1,713)	12,608	10,559	18,225
Cash flows from investing activities					
Dividend received		3,158	3,006	16,658	6,506
Proceeds from disposal of:					
- property, plant and equipment		23,842	96	18	-
- other investments		15,869	17,528	10,131	14,190
- non-current asset held for sale		18,484	27,637	18,484	-
Acquisition of:					
- property, plant and equipment		(3,705)	(19,060)	(31)	-
- financial asset at fair value through profit or loss		(34,430)	(45,220)	(32,180)	(36,200)
Net cash generated from/(used in) investing activities		23,218	(16,013)	13,080	(15,504)
Cash flows from financing activities					
Repayment of term loans		(8,600)	(16,394)	-	-
Interest paid		(4,354)	(4,428)	-	-
Proceeds from bank borrowings		1,511	15,225	-	-
Subscription of Redeemable Non-Cumulative Convertible Preference Shares		-	-	(5,300)	(23,353)
Redemption of Redeemable Non-Cumulative Convertible Preference Shares		-	-	-	34,083
Dividends paid		(4,461)	(8,365)	(4,461)	(8,365)
Net cash (used in)/generated from financing activities		(15,904)	(13,962)	(9,761)	2,365
Net increase/(decrease) in cash and cash equivalents		5,601	(17,367)	13,878	5,086
Cash and cash equivalents at 1 January		20,509	35,362	8,146	3,060
Effect of exchange rate changes		8,691	2,514	-	-
Cash and cash equivalents at 31 December	(i)	34,801	20,509	22,024	8,146

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)

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STATEMENTS OF CASH FLOWS (continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

(i) **Cash and cash equivalents**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits placed with licensed banks	27,490	13,237	21,700	7,905
Cash and bank balances	7,636	7,272	324	241
	<u>35,126</u>	<u>20,509</u>	<u>22,024</u>	<u>8,146</u>
Bank overdraft	(325)	-	-	-
	<u>34,801</u>	<u>20,509</u>	<u>22,024</u>	<u>8,146</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE FYE 31 DECEMBER 2014 (Cont'd)
THE NOMAD GROUP BHD
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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014
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 2014, the following new and amended MFRSs and IC Interpretations are mandatory for annual financial periods beginning on or after 1 January 2014.

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 : 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

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

1. Basis of preparation

(a) Standards issued and effective (continued)

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none"> • Annual improvements to MFRSs 2011 – 2013 cycle, amendments to <ul style="list-style-type: none"> - MFRS 3, Business combinations - MFRS 13, Fair value measurement - MFRS 140, Investment property 	<ul style="list-style-type: none"> 1 July 2014 1 July 2014 1 July 2014

The Directors expect that the adoption of the new and amended MFRSs and IC Interpretations above will not have any material impact on the financial statements in the period of initial application.

(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
<ul style="list-style-type: none"> • Amendments to MFRS 101, Presentation of Financial Statements: Disclosure Initiative 	1 January 2016
<ul style="list-style-type: none"> • Amendments to MFRS 10, Consolidated Financial Statements: Sale or Contribution of Assets between an investor and its Associate or Joint Venture 	1 January 2016
<ul style="list-style-type: none"> • Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities- Applying the Consolidation Exception 	1 January 2016
<ul style="list-style-type: none"> • Amendments to MFRS 12, Disclosure of Interest in Other Entities: Investment Entities- Applying the Consolidation Exception 	1 January 2016
<ul style="list-style-type: none"> • Amendments to MFRS 127, Separate Financial Statements: Equity Method in Separate Financial Statements 	1 January 2016
<ul style="list-style-type: none"> • Amendments to MFRS 128, Investment in Associates: Investment Entities- Applying the Consolidation Exception 	1 January 2016
<ul style="list-style-type: none"> • Amendments to MFRS 128, Investment in Associates: Sale or Contribution of Assets between an investor and its Associate or Joint Venture 	1 January 2016

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1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
• MFRS 14, Regulatory Deferral Accounts	1 January 2016
• Amendment to MFRS 116, Property, Plant and Equipment: Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendment to MFRS 116, Property, Plant and Equipment: Agriculture : Bearer Plants	1 January 2016
• Amendments to MFRS 11, Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
• Amendment to MFRS 138, Intangible Assets: Classification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendment to MFRS 141, Agriculture : Bearer Plant	1 January 2016
• Annual improvements to MFRSs 2012 – 2014 cycle, amendments to	
- MFRS 5, Non-current Assets Held for Sale and Discontinued operations	1 January 2016
- MFRS 7, Financial Instruments : Disclosure	1 January 2016
- MFRS 119, Employee Benefits	1 January 2016
- MFRS 134, Interim Financial Reporting	1 January 2016
• MFRS 15, Revenue from Contract with Customers	1 January 2017
• MFRS 9, Financial Instruments	1 January 2018

The Directors expect that the adoption of the amendments and IC Interpretations above will not have any material impact on the financial statements in the period of initial application.

(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:

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**1. Basis of preparation (continued)****(d) Critical accounting estimates and judgements (continued)***(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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

1. Basis of preparation (continued)

(d) Critical accounting estimates and judgements (continued)

(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.

(ix) 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(a) Foreign currencies (continued)***(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.

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2. Summary of significant accounting policies (continued)

(a) Foreign currencies (continued)

(iii) Foreign operations (continued)

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.

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

	2014	2013
	RM	RM
1 Singapore Dollar	2.65	2.59
100 Thai Baht	10.63	9.96
100 Indonesia Rupiah	0.03	0.03
100 Philippines Peso	7.80	7.38
100 Vietnamese Dong	0.02	0.02
1 United States Dollar	3.50	3.28

(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:

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(b) Basis of consolidation (continued)***(i) Subsidiaries (continued)*

- 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.

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

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

2. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(b) Basis of consolidation (continued)***(ii) Accounting for business combinations (continued)*

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.

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.

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014****2. Summary of significant accounting policies (continued)****(b) Basis of consolidation (continued)***(iii) Loss of control (continued)*

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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(b) Basis of consolidation (continued)***(iv) Associate (continued)*

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.

(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.

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014****2. Summary of significant accounting policies (continued)****(c) Revenue (continued)***(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.

(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.

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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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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised 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.

(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's 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.

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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")).

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.

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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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(i) Intangible assets (continued)**

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.

(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.

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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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(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.

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

Assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, and investment property, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale or distribution.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014**2. Summary of significant accounting policies (continued)****(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.

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.

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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.

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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 30 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

(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

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 transactions to sell the asset or transfer the liability takes place either in the principle market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset 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.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014
3. Revenue

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue from hotel operations	52,910	46,189	-	-
Revenue from serviced office operations	-	26,512	-	-
Revenue from building management	-	341	-	-
Revenue from hotel management services	230	-	-	-
Gross dividend income	3,158	3,006	16,658	6,506
Interest income	225	243	225	243
	<u>56,523</u>	<u>76,291</u>	<u>16,883</u>	<u>6,749</u>

4. Employee benefits

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Staff costs:				
Salaries, wages, allowances and bonuses	14,746	19,313	584	847
EPF contribution	733	1,085	76	107
SOCSO contribution	61	80	3	3
Other benefits expense	266	237	4	6
	<u>15,806</u>	<u>20,715</u>	<u>667</u>	<u>963</u>
Directors' remuneration:				
Non-executive Directors:				
- Fees	160	172	160	160
- Other emoluments	120	120	120	120
	<u>280</u>	<u>292</u>	<u>280</u>	<u>280</u>
Total	<u>16,086</u>	<u>21,007</u>	<u>947</u>	<u>1,243</u>

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

	Group		Company	
	2014 Number of Directors	2013 Number of Directors	2014 Number of Directors	2013 Number of Directors
Non-executive Directors:				
Below RM50,000	-	1	-	-
RM50,001 to RM100,000	4	4	4	4

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4. Employee benefits (continued)

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 338 (2013: 408).

5. Finance costs

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense on term loans	4,354	4,428	-	-

6. Profit/(Loss) before tax

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) before tax are arrived at after charging/(crediting):				
Allowance for impairment for trade receivables	5	8	-	-
Reversal of impairment for trade receivables	(5)	(13)	-	-
Impairment for investment in subsidiaries	-	-	22,044	-
Auditor's remuneration:				
- Auditor of the Company	114	118	38	38
- Other auditor	23	147	-	-
- (Over)/Under provision in prior year	(13)	2	-	-
Bad debts written off	5	5	-	-
Depreciation of property, plant and equipment	8,698	12,668	13	39
Gain on disposal of other investment	(29)	-	(29)	-
Gain on disposal of non-current asset held for sale	-	(7,179)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(3)	75	(18)	-
Loss/(Gain) on foreign exchange				
- realised	11	(859)	7	(859)
- unrealised	-	(5,436)	-	291
Property, plant and equipment written off	47	193	-	1

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6. Profit/(Loss) before tax (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Rental of office premises	141	17,797	41	47
Rental of office equipment and machinery	23	520	-	-
Interest income on:				
- short term deposits	(84)	(239)	(40)	(47)
- fixed deposits	(258)	(283)	(185)	(196)
- others	(4)	(33)	-	(54)
- interest income - receivable	-	(23)	-	-
Rental income:				
- equipment	(3)	(9)	-	-
- facilities	(445)	(455)	-	-
- car park rental	(40)	(604)	-	-
- roof top rental	(292)	(278)	-	-

7. Tax expense

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expense				
- current tax	1,290	3,052	54	51
- under/(over) provision in prior year	91	(185)	10	1
	<u>1,381</u>	<u>2,867</u>	<u>64</u>	<u>52</u>
Deferred tax (Note 24)				
- current	651	(1,252)	-	-
- (over)/under provision in prior year	(20)	223	-	-
	<u>631</u>	<u>(1,029)</u>	<u>-</u>	<u>-</u>
	<u>2,012</u>	<u>1,838</u>	<u>64</u>	<u>52</u>

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7. Tax expense (continued)
Reconciliation of effective tax rate

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit/(Loss) before tax (excluding share in results of associate company)	10,418	8,492	(4,673)	7,182
Tax calculated using Malaysian tax rate at 25%	2,605	2,123	(1,168)	1,795
Expenses not deductible for tax purposes	1,181	3,192	5,837	138
Income not subject to tax	(1,293)	(628)	(4,615)	(1,882)
Deferred tax assets recognised	(642)	(2,217)	-	-
Deferred tax assets not recognised	177	3,764	-	-
Utilisation of deferred tax assets previously not recognised	(87)	(1,634)	-	-
Difference in foreign tax rate	-	(2,800)	-	-
	1,941	1,800	54	51
Under/(Over) provision of tax expense in prior years	91	(185)	10	1
(Over)/Under provision of deferred tax in prior years	(20)	223	-	-
	2,012	1,838	64	52

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unutilised tax losses	783	2,581	-	-
Unabsorbed capital allowances	244	499	-	-
Unabsorbed investment tax allowances	7,200	7,842	-	-
	8,227	10,922	-	-

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8. Discontinued operation

During the financial year, the Company entered into a Sale of Share Agreement with Regus Asia Pacific Management Limited for the disposal of the assets and business of serviced offices by The Nomad Offices Sdn. Bhd., on behalf of its subsidiaries for a total cash consideration of GBP4,250,000 (approximately RM22,300,000).

The results of the disposal group, which represents the entire business of serviced offices segment, and the cash flows discontinued operations are disclosed under discontinued operations in the financial year ended 31 December 2014 and the comparative results have been restated accordingly.

The results of the discontinued operations are as follows:

	2014
	RM'000
Revenue	24,317
Other income	15,508
Employees benefits	(5,443)
Depreciation	(3,636)
Other expenses	(26,290)
Profit from discontinued operations	4,456
Finance income	465
Profit before tax of discontinued operation	4,921
Tax expense	(828)
Profit for the financial year of discontinued operation	<u>4,093</u>

The following amounts have been included in arriving at profit before income tax expense of the discontinued operations:

	Note	2014
		RM'000
Profit before tax is arrived at after charging/(crediting):		
Goodwill impairment	15	3,807
Auditor's remuneration:		
- Auditor of the Company		12
- Other auditor		149
- Over provision in prior year		(1)
Bad debts written off		19
Depreciation of property, plant and equipment		3,636
Gain on disposal of property, plant and equipment		(13,736)
Loss/(Gain) on foreign exchange		
- Realised		61
- Unrealised		(139)
Property, plant and equipment written off		2

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8. Discontinued operation (continued)

	2014
	RM'000
Rental income of car park	(560)
Rental of office premises	16,924
Rental of office equipment and machinery	474
Rental of car park	404
Interest income on:	
- short term deposits	(22)
- fixed deposits	(1)
- others	(27)
- interest income - receivables	<u>(415)</u>

9. 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	
	2014	2013
Profit from continuing operations (RM'000)	8,406	5,389
Profit from discontinued operations (RM'000)	<u>4,093</u>	<u>-</u>
Net profit for the year (RM'000)	<u>12,499</u>	<u>5,389</u>
Weighted average number of ordinary shares in issue ('000)	<u>223,068</u>	<u>223,068</u>
Basic earnings per ordinary share (sen)		
For continuing operations	3.77	2.42
For discontinued operation	<u>1.83</u>	<u>-</u>

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.

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10. Property, plant and equipment

Group 2014 Cost	Freehold land RM'000	Buildings 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
At 1 January	85,889	200,776	13,952	4,291	57,654	343	362,905
Additions	-	1,249	654	607	1,195	-	3,705
Reclassification (Note 20)	-	6,933	(13,924)	157	2,513	-	(4,321)
Disposals	-	(204)	-	(1,203)	(27,129)	(64)	(28,600)
Written off	-	-	(28)	(2)	(143)	-	(173)
Exchange differences	-	-	-	49	970	-	1,019
At 31 December	85,889	208,754	654	3,899	35,060	279	334,535

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10. Property, plant and equipment (continued)

Group 2014	Freehold land RM'000	Buildings 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
Accumulated depreciation							
At 1 January	-	28,865	-	2,579	35,598	279	67,321
Charged for the year	-	4,680	-	567	7,081	6	12,334
Reclassification (Note 20)	-	-	-	(141)	(3,796)	-	(3,937)
Disposals	-	-	-	(794)	(17,693)	(10)	(18,497)
Written off	-	-	-	(1)	(123)	-	(124)
Exchange differences	-	-	-	35	593	-	628
At 31 December	-	33,545	-	2,245	21,660	275	57,725
Carrying amounts							
At 31 December	85,889	175,209	654	1,654	13,400	4	276,810

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10. Property, plant and equipment (continued)

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

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10. Property, plant and equipment (continued)

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
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

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10. Property, plant and equipment (continued)

Company	Computer equipment and software RM'000	Furniture and fittings, office equipment and renovation RM'000	Total RM'000
2014			
Cost			
At 1 January	205	60	265
Addition	31	-	31
Disposals	(18)	-	(18)
At 31 December	<u>218</u>	<u>60</u>	<u>278</u>
Accumulated depreciation			
At 1 January	194	43	237
Charge for the year	7	6	13
Disposals	(18)	-	(18)
At 31 December	<u>183</u>	<u>49</u>	<u>232</u>
Carrying amount			
At 31 December	<u>35</u>	<u>11</u>	<u>46</u>
2013			
Cost			
At 1 January	231	66	297
Disposal	(26)	-	(26)
Written off	-	(6)	(6)
At 31 December	<u>205</u>	<u>60</u>	<u>265</u>
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	<u>194</u>	<u>43</u>	<u>237</u>
Carrying amount			
At 31 December	<u>11</u>	<u>17</u>	<u>28</u>

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10. Property, plant and equipment (continued)

The property, plant and equipment are pledged as security for banking facilities granted to the Group as disclosed in Note 23 to the financial statements amounting to RM276,806 (2013: RM295,520).

11. Investment in subsidiaries

	Company	
	2014	2013
	RM'000	RM'000
At cost:		
Unquoted shares	3,390	3,390
Redeemable Non-Cumulative Convertible Preference Shares ("RNCCPS") (Note 11 (i))		
At 1 January	235,120	235,120
Addition	5,300	-
Impairment	(22,044)	-
At 31 December	218,376	235,120
	221,766	238,510

The details of the subsidiary companies are as follows:

Name of companies:	Country of incorporation	Percentage of equity held		Principal activities
		2014	2013	
		%	%	
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	100	Investment holding

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11. Investment in subsidiaries (continued)

Name of companies:	Country of incorporation	Percentage of equity held		Principal activities
		2014 %	2013 %	
Indirect subsidiaries				
<i>Held through The Nomad Residences Sdn. Bhd.</i>				
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
<i>Held Through The Nomad Offices Sdn. Bhd.</i>				
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

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11. Investment in subsidiaries (continued)

Name of companies:	Country of incorporation	Percentage of equity held		Principal activities
		2014 %	2013 %	
Indirect subsidiaries (continued)				
<i>Held Through The Nomad Offices Pte. Ltd.</i>				
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 Kreatif *	Indonesia	100	100	Operator of serviced offices
PT The Nomad Offices Indonesia *	Indonesia	100	100	Inactive
<i>Held Through Nomad Properties Sdn. Bhd.</i>				
The Nomad Hotel Penang Sdn. Bhd.	Malaysia	100	100	Hotelier and hotel related services

* Not audited by PKF Malaysia.

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014****11. 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.

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12. Investment in an associate (continued)

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

	Group	
	2014 RM'000	2013 RM'000
Revenue	-	1,933
Loss for the year	-	(1,265)
Assets and liabilities:		
Current assets	-	55,141
Non-current assets	-	3,341
Current liabilities	-	(28,452)
Non-current liability	-	(3,239)
	-	26,791
	-	26,791

13. Other investments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Classified as available-for-sale financial assets:				
- Membership in golf club:				
At 1 January	91	91	91	91
Disposal	(91)	-	(91)	-
At 31 December	-	91	-	91

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13. Other investments (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Classified as available-for-sale financial assets:				
- Shares quoted in Malaysia at market value:				
At 1 January	49,979	37,773	49,979	37,773
Fair value adjustment on available-for-sale financial assets	(789)	12,206	(789)	12,206
At 31 December	49,190	49,979	49,190	49,979
Classified as financial assets at fair value through profit or loss:				
- Investment in money market fund:				
At 1 January	48,510	19,590	38,673	15,640
Addition	34,430	45,220	32,180	36,200
Disposal	(13,710)	(16,300)	(8,210)	(13,167)
At 31 December	69,230	48,510	62,643	38,673
	118,420	98,489	111,833	88,652
Total other investments	118,420	98,580	111,833	88,743

14. Non-trade receivables, deposits and prepayments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Refundable deposits	-	4,997	-	-
Current				
Other receivables	7,516	925	3	11
Refundable deposits	4,801	211	2	2
Prepaid expenses	715	1,517	25	42
	13,032	2,653	30	55
Total	13,032	7,650	30	55

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14. Non-trade receivables, deposits and prepayments (continued)

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

	Group	
	2014 RM'000	2013 RM'000
Ringgit Malaysia	7,313	2,385
Singapore Dollar	872	1,255
Thai Baht	2,674	1,527
Indonesia Rupiah	1,021	710
Philippines Peso	437	255
Vietnam Dong	-	1
	<u>12,317</u>	<u>6,133</u>

15. Goodwill

	Note	Group	
		2014 RM'000	2013 RM'000
Cost			
At 1 January		12,134	11,994
Impairment	8	(3,807)	-
Exchange differences		(378)	140
At 31 December		<u>7,949</u>	<u>12,134</u>

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of the cash-generating units was based on its value in use. The recoverable amount of the unit was determined to be higher than its carrying amount.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the recent financial projections approved by the management. The discount rate used is based on the Group's effective borrowing rate of 6% (2013: 6%). The gross margins used in the projections were based on past experience and expectations of market developments.

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16. Inventories

	Group	
	2014	2013
	RM'000	RM'000
General supplies of hotel operations – at cost	369	373

17. Trade receivables

	Group	
	2014	2013
	RM'000	RM'000
Trade receivables	2,512	2,629
Less: Allowance for impairment		
At 1 January	(14)	(81)
Addition	(5)	(8)
Written off	14	56
Reversal	5	13
Exchange differences	-	6
At 31 December	-	(14)
Trade receivables, net	2,512	2,615

The Group's and the Company's normal trade credit term is up to 30 days (2013: 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	
	2014	2013
	RM'000	RM'000
Ringgit Malaysia	1,768	2,112
Singapore Dollar	204	248
Thai Baht	273	100
Indonesia Rupiah	67	70
Philippines Peso	144	24
Vietnam Dong	56	61
	2,512	2,615

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18. Amount due from/(to) subsidiaries

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

In the previous financial year, interest rate is charged on certain balances at rates ranging from 4.85% to 6.08% per annum.

19. Deposits, cash and bank balances

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	27,490	13,237	21,700	7,905
Cash and bank balances	7,636	7,272	324	241
	<u>35,126</u>	<u>20,509</u>	<u>22,024</u>	<u>8,146</u>

Deposits placed with licensed banks of the Group and of the Company have an average maturity period of 94 days (2013: 99 days).

The deposits as at 31 December 2014 of the Group and of the Company earned interest at average rates ranging from 0.85% to 3.30% (2013: 0.85% to 3.30%) per annum.

20. Assets/Liabilities classified as held for sale

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Assets classified as held for sale				
Property, plant and equipment (Note 10)	384	-	-	-
Investment in an associate (Note 12)	-	18,484	-	18,484
Liabilities classified as held for sale				
Non-trade payables - deposits	(492)	-	-	-
	<u>(108)</u>	<u>18,484</u>	<u>-</u>	<u>18,484</u>

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20. Assets/Liabilities classified as held for sale (continued)

On 11 November 2014, the Company and its subsidiary, The Nomad Offices Sdn. Bhd. have entered into a Framework Sale Agreement with Regus Asia Pacific Management Limited for disposal of the assets and business of service offices of the Group. A portion of the transaction has not been completed during the financial year.

For 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 2014.

21. Share capital

	Group and Company			
	2014	2013	2014	2013
	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

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22. Reserves

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable				
Share premium (i)	79,437	79,437	79,437	79,437
Fair value reserve (ii)	42,841	43,630	42,841	43,630
Foreign currency translation reserve (iii)	(1,418)	(9,948)	-	-
	<u>120,860</u>	<u>113,119</u>	<u>122,278</u>	<u>123,067</u>
Distributable				
Retained earnings (iv)	<u>15,564</u>	<u>7,526</u>	<u>(782)</u>	<u>8,416</u>
	<u>136,424</u>	<u>120,645</u>	<u>121,496</u>	<u>131,483</u>

(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

Under the single-tier system introduced by the Finance Act 2007 which came into effect from the year of assessment 2008, dividends paid under this system are tax exempt in the hands of shareholder. As such, the entire retained earnings can be distributed to shareholders as tax exempt dividends.

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23. Bank borrowings

	Group	
	2014	2013
	RM'000	RM'000
Current		
Term loan (secured)	8,075	7,150
Bank overdraft (secured)	325	-
	<u>8,400</u>	<u>7,150</u>
Non-current		
Term loan (secured)	60,511	68,525
Total	<u>68,911</u>	<u>75,675</u>

The term loans are repayable as follows:

	Group	
	2014	2013
	RM'000	RM'000
Bank term loan bearing effective interest rate of 5.85% to 6.10% (2013: 5.85% to 6.10%) per annum repayable by 40 quarterly instalments commencing October 2009	19,300	22,100
Bank term loan bearing effective interest rate of 5.95% to 6.00% (2013: 5.70% to 6.00%) per annum repayable by 31 quarterly instalments commencing January 2010	28,650	32,550
Bank term loan bearing effective interest rate of 5.95% to 6.00% (2013: 5.70% to 6.00%) per annum repayable by 31 quarterly instalments commencing January 2010	4,350	5,800
Bank term loan bearing effective interest rate of 5.40% to 5.65% (2013: 5.40% to 5.65%) per annum repayable by 40 quarterly instalments commencing June 2014	8,700	9,000
Bank term loan bearing effective interest rate of 5.40% to 5.65% (2013: 5.40% to 5.65%) per annum repayable by 40 quarterly instalments commencing September 2014	7,586	6,225
	<u>68,586</u>	<u>75,675</u>

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23. Bank Borrowings (continued)

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

	Group	
	2014	2013
	RM'000	RM'000
Within one year	8,075	7,150
More than one year and less than five years	50,337	52,798
Five years and more	10,174	15,727
	68,586	75,675
	68,586	75,675

The term loans and bank overdraft are secured by the following:

- (i) First party legal charge over freehold land and buildings of the Group as disclosed in Note 10;
- (ii) Specific debenture over certain properties including buildings, fixture and fittings on the properties of the Group as disclosed in Note 10; and
- (iii) Corporate guarantee by the Company.

The bank overdraft bears interest at 6.60% to 6.85% per annum.

24. Deferred tax liabilities

	Group	
	2014	2013
	RM'000	RM'000
At 1 January	11,653	12,682
Recognised in profit or loss (Note 7)	580	(1,029)
At 31 December	12,233	11,653
	12,233	11,653

Represented after appropriate offsetting as follows:

	Group	
	2014	2013
	RM'000	RM'000
Deferred tax liabilities	17,821	18,032
Deferred tax assets	(5,588)	(6,379)
	12,233	11,653
	12,233	11,653

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24. Deferred tax liabilities (continued)

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 2014				18,032
Recognised in profit or loss				(211)
At 31 December 2014				<u>17,821</u>
At 1 January 2013				17,490
Recognised in profit or loss				542
At 31 December 2013				<u>18,032</u>
	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 2014	(252)	(1,349)	(4,778)	(6,379)
Recognised in profit or loss	252	1,098	(559)	791
At 31 December 2014	<u>-</u>	<u>(251)</u>	<u>(5,337)</u>	<u>(5,588)</u>
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	<u>(252)</u>	<u>(1,349)</u>	<u>(4,778)</u>	<u>(6,379)</u>

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

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24. Deferred tax liabilities (continued)

	Group	
	2014	2013
	RM'000	RM'000
Unabsorbed capital allowances	2,204	1,995
Unutilised tax losses	10,652	10,323
Unutilised investment tax allowances	28,800	31,368
	41,656	43,686

25. Trade and non-trade payables

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade payables	2,070	4,891	-	-
Non-trade payables:				
Other payables	6,637	8,255	42	165
Accrued expenses	2,829	5,202	274	330
Deposits	1,204	6,350	-	370
	10,670	19,807	316	865
Total	12,740	24,698	316	865

The normal trade credit terms granted to the Group and to the Company range from 30 to 45 days (2013: 30 to 45 days).

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	8,313	16,917	316	865
Singapore Dollar	1,026	2,858	-	-
Thai Baht	2,127	3,024	-	-
Indonesia Rupiah	320	905	-	-
Philippines Peso	832	822	-	-
Vietnam Dong	17	29	-	-
US Dollar	105	143	-	-
	12,740	24,698	316	865

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26. Dividends

	In respect of financial year	Dividend per share sen	Amount of dividend RM'000	Date of payment
Company 2014				
Final dividend	2013	2.0	4,461	19 May 2014
2013				
Final dividend	2012	2.0	3,346	20 May 2013
Interim dividend	2013	3.0	5,019	17 December 2013
			8,365	

27. Significant related party transactions

Name of company	Type of transaction	Transaction value		Balance outstanding as at 31 December	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
With subsidiary companies:					
The Nomad Bangsar Sdn. Bhd.	Subscription of RNCCPS	(3,000)	-	81	1,570
	Interest income	-	54		
The Nomad Offices Pte. Ltd.	Advances	1,511	915		
	Proceed of disposal	(15,978)	-	(12,476)	231
	Redemption of RNCCPS	-	34,083		
Nomad Space Sdn. Bhd.	Advances/ (Repayment)	3,271	(36,436)		
	Proceed of disposal	(6,088)	-	(4,696)	(419)
Nomad Properties Sdn. Bhd.	Advances	1,811	-		
	Subscription of RNCCPS	-	(15,353)	-	-
The Nomad Hotel Penang Sdn. Bhd.	Subscription of RNCCPS	(2,300)	(8,000)	11	56
	Advances	2,255	6,400		

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27. Significant related party transactions (continued)

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.

28. Operating lease arrangements

	Group	
	2014	2013
	RM'000	RM'000
Minimum lease payments under operating lease arrangements recognised as expenses in the financial year	17,562	18,317

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

	Group	
	2014	2013
	RM'000	RM'000
Within one year	550	14,848
In the second to fifth year inclusive	15	19,728
	<u>565</u>	<u>34,576</u>

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.

29. Contingent liabilities

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Bank guarantee granted to supplier for services provided	655	655	-	-
Guarantee for term loan of subsidiaries	-	-	68,586	75,675
	<u>655</u>	<u>655</u>	<u>68,586</u>	<u>75,675</u>

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30. 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

2014 Group	Continued operations		Discontinued operations	Total RM'000
	Investment holding RM'000	Serviced residences RM'000	Serviced offices RM'000	
Segment revenue				
Sales to external customers	3,383	53,140	24,317	80,840
Intersegment sales	13,500	1,720	-	15,220
	16,883	54,860	24,317	96,060
Reconciliation:				
Elimination of intersegment sales				(15,220)
Total revenue				80,840
Segment results				
Total profit before tax	3,914	6,504	4,921	15,339
Segment assets	143,687	291,020	19,974	454,681
Segment liabilities	293	87,212	7,684	95,189

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30. Operating segments (continued)
(a) Business segments (continued)

2014 Group	Continued operations		Discontinued operations	Total RM'000
	Investment holding RM'000	Serviced residences RM'000	Serviced offices RM'000	
Other information				
Interest income	225	121	465	811
Interest expenses	-	4,354	-	4,354
Depreciation	13	8,685	3,636	12,334
Capital expenditure	31	3,160	514	3,705
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

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30. Operating segments (continued)
(a) Business segments (continued)

2013 Group	Investment holding RM'000	Serviced residences RM'000	Serviced offices RM'000	Total RM'000
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

(b) Geographical segments

The revenue is based on location of the operations.

(i) Revenue from external customers

	2014 RM'000	2013 RM'000
Continuing operations:		
Malaysia (place of domicile)	56,523	58,393
Singapore	-	7,233
Indonesia	-	2,236
Thailand	-	5,864
Philippines	-	2,378
Vietnam	-	187
	<u>56,523</u>	<u>76,291</u>
Discontinued operations:		
Malaysia (place of domicile)	8,735	-
Singapore	5,714	-
Indonesia	2,291	-
Thailand	4,786	-
Philippines	2,593	-
Vietnam	198	-
	<u>24,317</u>	<u>-</u>
	<u>80,840</u>	<u>76,291</u>

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30. Operating segments (continued)
(b) Geographical segments (continued)
(ii) Non-current assets

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

	2014 RM'000	2013 RM'000
Malaysia (place of domicile)	284,759	300,799
Singapore	-	1,690
Indonesia	-	2,381
Thailand	-	6,989
Philippines	-	947
	<u>284,759</u>	<u>312,806</u>

31. 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

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31. Financial Instruments (continued)

	Carrying amount RM'000	Fair value through profit or loss RM'000	Loans and receivables RM'000	Available for sale financial assets RM'000	Other financial liabilities measured at amortised cost RM'000
Group 2014					
Financial assets					
Other investments	118,420	69,230	-	49,190	-
Trade receivables	2,512	-	2,512	-	-
Non-trade receivables and deposits (exclude prepayments)	12,317	-	12,317	-	-
Cash and cash equivalents	35,126	-	35,126	-	-
	<u>168,375</u>	<u>69,230</u>	<u>49,955</u>	<u>49,190</u>	<u>-</u>
Financial liabilities					
Trade payables	2,070	-	-	-	2,070
Non-trade payables and accruals	10,670	-	-	-	10,670
Bank borrowings	68,911	-	-	-	68,911
	<u>81,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,651</u>

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31. 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 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	-	-
	<u>127,837</u>	<u>48,510</u>	<u>29,257</u>	<u>50,070</u>	<u>-</u>
Financial liabilities					
Trade payables	4,891	-	-	-	4,891
Non-trade payables and accruals	19,807	-	-	-	19,807
Bank borrowings	75,675	-	-	-	75,675
	<u>100,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,373</u>

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31. 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 2014					
Financial assets					
Other investments	111,833	62,643	-	49,190	-
Non-trade receivables and deposits (exclude prepayments)	5	-	5	-	-
Amount due from subsidiaries	110	-	110	-	-
Cash and cash equivalents	22,024	-	22,024	-	-
	<u>133,972</u>	<u>62,643</u>	<u>22,139</u>	<u>49,190</u>	<u>-</u>
Financial liabilities					
Non-trade payables and accruals	316	-	-	-	316
Amount due to subsidiaries	17,172	-	-	-	17,172
	<u>17,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,488</u>

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31. 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	-	-
	<u>98,771</u>	<u>38,673</u>	<u>10,028</u>	<u>50,070</u>	<u>-</u>
Financial liabilities					
Non-trade payables and accruals	865	-	-	-	865
Amount due to subsidiaries	419	-	-	-	419
	<u>1,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,284</u>

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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.

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31. 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
2014			
Not past due:	1,348	-	1,348
Past due:			
- less than 1 month	620	-	620
- less than 3 months	459	-	459
- more than 3 months	85	-	85
	2,512	-	2,512
	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

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

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.

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31. Financial instruments (continued)
Credit risk (continued)
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 23 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	
	2014	2013
	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000
Effects on profit after taxation		
Increase of 5 basis point ("bp")	(34)	(38)
Decrease of 5 basis point ("bp")	34	38
Effects on equity		
Increase of 5 basis point ("bp")	(34)	(38)
Decrease of 5 basis point ("bp")	34	38

Cash flow risk

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

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31. 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 2014. As the movement of the foreign currency denominated monetary items as at 31 December 2014 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 2014					
Trade payables	2,070	-	2,070	2,070	-
Non-trade payables and accruals	10,670	-	10,670	10,670	-
Bank borrowings	68,911	5.40% to 6.10%	83,584	13,420	70,164
	<u>81,651</u>		<u>96,324</u>	<u>26,160</u>	<u>70,164</u>

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31. 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
Group 2013					
Trade payables	4,891	-	4,891	4,891	-
Non-trade payables and accruals	19,807	-	19,807	19,807	-
Bank borrowings	75,675	5.40% to 6.00%	94,470	11,451	83,019
	<u>100,373</u>		<u>119,168</u>	<u>36,149</u>	<u>83,019</u>
	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Within 1 year RM'000	After 1 year RM'000
Company 2014					
Non-trade payables and accruals	316	-	316	316	-
2013					
Non-trade payables and accruals	865	-	865	865	-

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32. 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.

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:

	2014		2013	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial asset:				
Other investment	<u>118,420</u>	<u>118,420</u>	<u>98,580</u>	<u>98,580</u>
Financial liability:				
Bank borrowings	<u>68,911</u>	<u>68,911</u>	<u>75,675</u>	<u>75,675</u>
Company				
Financial asset:				
Other investment	<u>111,833</u>	<u>111,833</u>	<u>88,743</u>	<u>88,743</u>

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32. Fair values of financial instruments (continued)
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).
Transfer between Level 1 and Level 2 fair values
There has been no transfer between Level 1 and 2 fair value during the financial year.
- ✓ Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2014				
Financial asset				
Other investment	118,420	-	-	118,420
Financial liability				
Bank borrowings	-	68,911	-	68,911
2013				
Financial asset				
Other investment	98,489	91	-	98,580
Financial liability				
Bank borrowings	-	75,675	-	75,675
Company				
2014				
Financial asset				
Other investment	111,833	-	-	111,833
2013				
Financial asset				
Other investment	88,652	91	-	88,743

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THE NOMAD GROUP BHD
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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014****33. Subsequent events**

- (i) On 2 March 2015, the Company received a notice of conditional take-over offer from Plenitude Berhad to acquire all the ordinary shares of RM1.00 each in the Company ("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 Berhad 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 ("offer").
- (ii) On 3 March 2015, the Company deliberated on the said offer and would not be seeking an alternate person to make a take-over offer for the offer shares.

In accordance with Section 15 (1) of the Malaysian Code on Take-Over and Mergers, 2010, the Company appointed TA Securities Holdings Berhad as the Independent Adviser to advise the shareholders of the Company on the fairness and reasonableness of the offer.

- (iii) On 9 March 2015, the Company issued a notification to its shareholders in relation to the receipt of notice of conditional take-over offer dated 2 March 2015 as stated in (i).

34. 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:

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34. Capital management (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	2,070	4,891	-	-
Non-trade payables and accruals	10,670	19,807	316	865
Bank borrowings	68,911	75,675	-	-
	<u>81,651</u>	<u>100,373</u>	<u>316</u>	<u>865</u>
Less: Cash and cash equivalents	(35,126)	(20,509)	(22,024)	(8,146)
Investment in money market funds	<u>(69,230)</u>	<u>(48,510)</u>	<u>(62,643)</u>	<u>(38,673)</u>
Net debt	(22,705)	31,354	(84,351)	(45,954)
Total equity	<u>359,492</u>	<u>343,713</u>	<u>344,564</u>	<u>354,551</u>
Total capital	<u>336,787</u>	<u>375,067</u>	<u>260,213</u>	<u>308,597</u>
Debt-to-equity ratio (times)	<u>(0.06)</u>	<u>0.09</u>	<u>(0.24)</u>	<u>(0.13)</u>

35. 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 11 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 23 April 2015.

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36. 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 2014 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 2014 RM'000	Company 2014 RM'000
Total accumulated profits/(losses) of the Company and its subsidiaries:		
- Realised profits	27,658	(782)
- Unrealised losses	(12,094)	-
	<u>15,564</u>	<u>(782)</u>
	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)	-
	<u>7,526</u>	<u>8,416</u>

ERRATA TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TNGB FOR THE
FYE 31 DECEMBER 2014



Date: 7 May 2015

To: The Shareholders of The Nomad Group Bhd

**RE: ERRATA TO THE ANNUAL AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2014 (“AFS”)**

Our submission of AFS via Bursa Link on 27 April 2015 (Ref No. DCS-27042015-00047) refers.

Please be informed that the amendments made to second paragraph of Note 8 Discontinued operation as follow:-

The results of the disposal group, which represents the entire business of serviced offices segment, and the cash flows discontinued operations are disclosed under discontinued operations in the financial year ended 31 December 2014 and the comparative results have been restated accordingly.

The correct disclosure note should be read as follow:-

The results of the disposal group, which represents the business of serviced offices segment are disclosed under discontinued operations in the financial year ended 31 December 2014.

The above amendment is due to typographical errors and has no impact on the financial results of the Group and of the Company for the financial year ended 31 December 2014. The amendment will be incorporated in 2014 Annual Report of the Company that will submit to Bursa Securities in due course.

A copy of the amended page 50 of the AFS is attached herewith.

Yours faithfully,
THE NOMAD GROUP BHD

PHUA CHIU LENG
Assistant General Manager – Group Finance

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8. Discontinued operation

During the financial year, the Company entered into a Sale of Share Agreement with Regus Asia Pacific Management Limited for the disposal of the assets and business of serviced offices by The Nomad Offices Sdn. Bhd., on behalf of its subsidiaries for a total cash consideration of GBP4,250,000 (approximately RM22,300,000).

The results of the disposal group, which represents the business of serviced offices segment are disclosed under discontinued operations in the financial year ended 31 December 2014.

The results of the discontinued operations are as follows:

	2014
	RM'000
Revenue	24,317
Other income	15,508
Employees benefits	(5,443)
Depreciation	(3,636)
Other expenses	(26,290)
Profit from discontinued operations	4,456
Finance income	465
Profit before tax of discontinued operation	4,921
Tax expense	(828)
Profit for the financial year of discontinued operation	<u>4,093</u>

The following amounts have been included in arriving at profit before income tax expense of the discontinued operations:

	Note	2014
		RM'000
Profit before tax is arrived at after charging/(crediting):		
Goodwill impairment	15	3,807
Auditor's remuneration:		
- Auditor of the Company		12
- Other auditor		149
- Over provision in prior year		(1)
Bad debts written off		19
Depreciation of property, plant and equipment		3,636
Gain on disposal of property, plant and equipment		(13,736)
Loss/(Gain) on foreign exchange		
- Realised		61
- Unrealised		(139)
Property, plant and equipment written off		2