THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold/transferred all your ordinary shares in Nextnation Communication Berhad ("**NCB**"), you should at once hand this AP together with the Notice of Provisional Allotment ("**NPA**") and the Rights Subscription Form ("**RSF**") to the agent through whom you effected the sale/transfer for onward transmission to the purchaser/transferee. All enquiries concerning the Rights Issue (as defined herein), which is the subject of this AP should be addressed to our Share Registrar, namely Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

This AP, together with the NPA and RSF (collectively referred to as the "**Documents**") are only despatched to our Entitled Shareholders (as defined herein) (other than an Authorised Nominee (as defined herein) who has subscribed for Nominee Rights Subscription service ("**NRS**")) whose names appear in our Record of Depositors as at 5.00 p.m. on 20 December 2013 ("**Entitlement Date**") at their registered addresses in Malaysia. If you are an Authorised Nominee who has subscribed for NRS with Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) ("**Bursa Depository**"), an electronic copy of this AP and the Rights Issue Entitlement File (as defined herein) will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominee. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. The Rights Issue to which this AP relates is only available to persons receiving the Documents electronically or otherwise within Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are or may be subject to the laws or jurisdictions of countries other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the Rights Shares (as defined herein) with Warrants (as defined herein) to be issued under the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 11 of this AP. Neither NCB, Public Investment Bank Berhad ("**PIVB**") nor any other advisers to the Rights Issue shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights Shares with Warrants made by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are residents.

A copy of this AP has been registered with the Securities Commission Malaysia ("**SC**"). A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

Our shareholders have approved, amongst others, the Rights Issue at the Extraordinary General Meeting held on 19 September 2013. Bursa Malaysia Securities Berhad ("**Bursa Securities**") has also granted its approval for, amongst others, the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new ordinary shares to be issued arising from the full exercise of the Warrants on the ACE Market of Bursa Securities on 28 August 2013. However, this is not an indication that Bursa Securities recommends the Rights Issue. The official listing of and quotation for the said securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. Admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new ordinary shares to be issued arising from the full exercise of the Warrants on the ACE Market of Bursa Securities are in no way reflective of the merits of the Rights Issue.

Our Directors have seen and approved all the documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

THERE ARE CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER. PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 7 OF THIS AP.

PIVB, being our Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

NEXTNATION COMMUNICATION BERHAD

(Company No. 660055-H)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 608,806,200 NEW ORDINARY SHARES OF RM0.10 EACH IN NCB ("NCB SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 304,403,100 FREE DETACHABLE WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY FOUR (4) EXISTING NCB SHARES HELD AT 5.00 P.M. ON 20 DECEMBER 2013, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 120,000,000 RIGHTS SHARES TOGETHER WITH 60,000,000 FREE WARRANTS

Adviser

PUBLIC INVESTMENT BANK BERHAD (20027-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(Wholly-Owned Subsidiary of Public Bank Berhad)

IMPORTANT RELEVANT DATES AND TIME

Entitlement date for the Rights Issue	:	Friday, 20 December 2013 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights for the Rights Issue	:	Monday, 30 December 2013 at 5.00 p.m.
Transfer of provisional allotment of rights for the Rights Issue	:	Friday, 3 January 2014 at 4.00 p.m.
Acceptance and payment for the Rights Issue	:	Wednesday, 8 January 2014 at 5.00 p.m.*
Excess application and payment for the Rights Issue	:	Wednesday, 8 January 2014 at 5.00 p.m.*

* *or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.*

This AP is dated 20 December 2013

BURSA SECURITIES HAS APPROVED, AMONGST OTHERS, THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, WARRANTS AND THE NEW ORDINARY SHARES ARISING FROM THE FULL EXERCISE OF THE WARRANTS ON THE ACE MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THESE DOCUMENTS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following words and abbreviations shall apply throughout this AP and shall have the following meanings:

5-day VWAMP	:	Five (5)-day volume weighted average market price
Acquisition of the Boutique Building	:	The acquisition by NCB of the Boutique Building from BLSB for a total purchase consideration of RM64.00 million via the issuance of 192,000,000 new NCB Shares, 120,000,000 warrants and a cash payment of RM6.40 million, which was completed on 2 August 2013
Act	:	Companies Act, 1965, as amended from time to time including any re-enactment thereof
Adviser or PIVB	:	Public Investment Bank Berhad *(20027-W)*
AISB	:	Aliran Intelek Sdn Bhd *(364035-X)*
AP	:	This abridged prospectus dated 20 December 2013
ATM	:	Automated teller machine
Authorised Nominee	:	A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
BCD	:	The books closure date as at 20 December 2013
BLSB	:	Bidang Lagenda Sdn Bhd *(798308-T)*
Board	:	Board of Directors of NCB
Boutique Building	:	One (1) block of eleven (11)-storey office building known as Block 1 (Type E), The Horizon, Bangsar South bearing postal address Tower 7, Avenue 3, The Horizon Phase 1, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur erected on part of the leasehold land held under PN 46338, Lot No. 58190 (formerly held under H.S.(D) 115345, Lot No. PT 8097), Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd *(165570-W)*
Bursa Securities	:	Bursa Malaysia Securities Berhad *(635998-W)*
CDS	:	Central Depository System
CMSA	:	Capital Markets and Services Act 2007
Code	:	Malaysian Code on Take-Overs and Mergers 2010
Confirmation Screen	:	The screen which appears or is displayed on the internet financial services website, which confirms that the Internet Application has been completed and states the details of your Internet Application, including the number of Rights Shares with Warrants applied for, which can be printed out for your record
Corporate Exercises	:	Diversification, Rights Issue, Increase in Authorised Share Capital and MA Amendment, collectively
Cyberjaya Land	:	A parcel of land measuring approximately 5.906 acres, identified as Lot P58, held under HS(D) 28897, PT 42830, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan
Deed Poll	:	The deed poll constituting the Warrants executed by our Company pursuant to the Rights Issue
Director(s)	:	Director(s) of our Company

Diversification	:	The diversification of the business of the NCB Group into property development
Documents	:	AP, NPA and RSF, collectively
EGM	:	Extraordinary general meeting
Electronic Application(s)	:	Application(s) for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants through the ATMs of Participating Financial Institutions
Entitled Shareholder(s)	:	Shareholder(s) of NCB whose names appear on the Record of Depositors on the Entitlement Date, who shall be entitled to participate in the Rights Issue
Entitlement Date	:	5.00 p.m. on 20 December 2013, being the date and time on which our shareholders must be registered on the Record of Depositors in order to participate in the Rights Issue
EPS	:	Earnings per share
ETP	:	Economic Transformation Programme
Excess Rights Shares	:	Rights Shares which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounce(s) and/or transferee(s) prior to excess application
Exercise Period	:	The period commencing on and including the date of issue of the Warrants and ending on the Market Day at 5.00 p.m. (Malaysian time) immediately before the tenth (10^{th}) anniversary of the issue date
Exercise Price	:	RM0.11 per Warrant for one (1) new NCB Share
Existing Warrants	:	251,559,000 outstanding warrants 2012/2022 and 120,000,000 outstanding warrants 2013/2023 of NCB as at the LPD
FPE	:	Financial period ended
FSA	:	Financial Services Act 2013
FYE	:	Financial year ended/ending 30 April
GDP	:	Gross domestic product
GDV	:	Gross development value
ICT	:	Information and communication technology
IDR	:	Indonesian Rupiah
Inovisi	:	PT Inovisi Infracom Tbk, a company listed on the Indonesia Stock Exchange
Internet Application(s)	:	Application(s) for the Rights Shares with Warrants and/or Excess Rights Shares with Warrants through an Internet Participating Financial Institution
Internet Participating Financial Institution(s)	:	Participating financial institution(s) for the Internet Application as referred to in Section 11.1 of this AP
Increase in Authorised Share Capital	:	The increase in the authorised share capital of NCB from RM200,000,000 comprising 2,000,000,000 NCB Shares to RM500,000,000 comprising 5,000,000,000 NCB Shares
IP	:	Internet Protocol
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities

LPD	:	29 November 2013, being the latest practicable date prior to the despatch of this AP
MA	:	Memorandum of Association of our Company
MA Amendment	:	Amendment to the MA pursuant to the Increase in Authorised Share Capital
Major Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in our Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is ten percent (10%) or more of the aggregate of the nominal amounts of all the voting shares in our Company or, five percent (5%) or more of the aggregate of the nominal amounts of all the voting shares in our Company where such person is the largest shareholder of our Company, as defined in Chapter 1 of the Listing Requirements For the purpose of this definition, "interest in shares" shall have the meaning given in Section 6A of the Act
Market Day(s)	:	Any day(s) between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
Maximum Scenario	:	The scenario that assumes that all of the Existing Warrants were exercised into new NCB Shares prior to the Entitlement Date and that the Rights Shares with Warrants are fully subscribed by the Entitled Shareholders and/or renounces/transferees
Minimum Scenario	:	The scenario that assumes that none of the Existing Warrants are exercised into new NCB Shares prior to the Entitlement Date and that the Rights Shares with Warrants are subscribed based on the Minimum Subscription Level by only those who have provided their Undertakings
Minimum Subscription Level	:	The scenario that assumes that the Rights Issue will be undertaken on a minimum subscription level basis via the issuance of 120,000,000 Rights Shares together with 60,000,000 Warrants
MOU	:	Memorandum of understanding
NA	:	Net assets attributable to ordinary shareholders of our Company
NCB or our Company	:	Nextnation Communication Berhad *(660055-H)*
NCB Group or our Group	:	NCB and our subsidiaries, collectively
NCB Share(s) or Share(s)	:	Ordinary shares of RM0.10 each in NCB
NDSB	:	Nextnation Datacity Sdn Bhd *(984681-V)*, a wholly owned subsidiary of NCB
NPA	:	Notice of Provisional Allotment in relation to the Rights Issue
NRS	:	Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with Warrants through Bursa Depository's existing network facility with the Authorised Nominees
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Outsourcing Agreement	:	Outsourcing agreement dated 8 February 2012 between NCB and Inovisi under which Inovisi shall appoint NCB as its outsourcing partner for the development and supply of InoConnect IP Interconnection, a service platform that serves as a telecommunication operator for delivery of IP services and InoConnect Bandwidth Optimiser services, a service platform that reduces large data packets into smaller ones allowing data to be sent out via faster and more consistent IP networks

DEFINITIONS *(Cont'd)*

PACs	:	Persons acting in concert in accordance with Section 216 of the CMSA
Participating Financial Institution(s)	:	Participating financial institution(s) for the Electronic Applications as referred to in Section 11.1 of this AP
PAT	:	Profit after tax
PBT	:	Profit before tax
Planned Development	:	A planned development by NDSB of a niche mixed property development with an in-house data centre at the Cyberjaya Land
PN	:	Practice Note
Provisional Rights Shares with Warrants	:	Rights Shares with Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue
PTGTM	:	PT Graha Tunas Makmur
Record of Depositors	:	A record of security holders established and maintained by Bursa Depository
R&D	:	Research & development
Rights Issue	:	The renounceable rights issue of up to 608,806,200 Rights Shares together with up to 304,403,100 free detachable Warrants at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every four (4) existing NCB Shares held on the Entitlement Date, based on the Minimum Subscription Level
Rights Issue Entitlement File	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlements under the Rights Issue as at the Entitlement Date
Rights Share(s)	:	New Share(s) to be issued pursuant to the Rights Issue
Rights Shares Subscription File	:	An electronic file forwarded by an Authorised Nominee who has subscribed for NRS to Bursa Depository, containing information of such Authorised Nominee's subscription of the Rights Shares with Warrants or Excess Rights Shares with Warrants
RM and sen	:	Ringgit Malaysia and sen, respectively
RSF	:	Rights subscription form in relation to the Rights Issue
Rules of Bursa Depository	:	The rules of Central Depository as defined in the SICDA
SC	:	Securities Commission Malaysia
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SOHO	:	Small office/home office
SPA	:	Sale and purchase agreement
sq. ft.	:	Square feet
STSB	:	Smart Tower Sdn Bhd *(654508-D)*
Substantial Shareholder(s)	:	Any person who has an interest or interests in one or more voting shares in our Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is not less than five percent (5%) of the aggregate of the nominal amounts of all the voting shares in our Company, as defined in Section 69D of the Act

TERP	:	Theoretical ex-rights price
TPY	:	Tey Por Yee, a Director and Major Shareholder of NCB by virtue of his direct shareholdings in NCB and his deemed interest via his shareholdings in STSB
Undertakings	:	The irrevocable written undertakings by STSB and TPY to subscribe for an aggregate of 120,000,000 Rights Shares together with 60,000,000 Warrants to achieve the Minimum Subscription Level
USD	:	United States Dollar
Warrant(s)	:	Warrant(s) to be issued pursuant to the Rights Issue

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be a reference to Malaysian time, unless otherwise specified.

All references to the "Company" or "NCB" in this AP are made to NCB and references to the "NCB Group" or "Group" are to our Company and our subsidiaries. References to "we", "us", "our" and "ourselves" are to our Company and, unless where the context otherwise requires, our subsidiaries. All references to "you" in this AP are made to our Entitled Shareholders.

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APPENDICES

CORPORATE DIRECTORY

NEXTNATION COMMUNICATION BERHAD
(Company No. 660055-H)
(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

Name	Address	Designation	Profession	Nationality
Tey Por Yee	Blok S1-10-22 P/Puri Sutramas Persiaran Puchong Jaya Selatan Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Chief Executive Officer/ Managing Director	Company Director	Malaysian
See Poh Yee	284-08-05, Blok B Heritage Condominium Jalan Pahang 53000 Kuala Lumpur Wilayah Persekutuan	Executive Director	Company Director	Malaysian
Yap Siok Teng	No.18, Jalan 33/70A Desa Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan	Independent Non-Executive Director	Company Director	Malaysian
Fu Lit Fung	16, Jalan Damai Jasa 8 Taman Alam Damai Cheras 56000 Kuala Lumpur Wilayah Persekutuan	Independent Non-Executive Director	Company Director	Malaysian
Leou Thiam Lai	149, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	Independent Non-Executive Director	Company Director	Malaysian
Ungku A. Razak Bin Ungku A. Rahman	No. 1, Jalan Setiabakti 3 Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan	Independent Non-Executive Director	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Yap Siok Teng	Chairperson	Independent Non-Executive Director
Fu Lit Fung	Member	Independent Non-Executive Director
Leou Thiam Lai	Member	Independent Non-Executive Director
Ungku A. Razak Bin Ungku A. Rahman	Member	Independent Non-Executive Director

CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	Chua Siew Chuan (MAICSA 0777689) Mak Chooi Peng (MAICSA 7017931) Securities Services (Holdings) Sdn Bhd (36869-T) Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan Tel: 603-2084 9000 Fax: 603-2094 9940
REGISTERED OFFICE	:	Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Wilayah Persekutuan Tel: 603-2084 9000 Fax: 603-2094 9940
PRINCIPAL PLACE OF BUSINESS	:	Unit 909, Block F Phileo Damansara One No. 9, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan Tel: 603-7494 4839 Fax: 603-7494 4836 Website: www.nextnationnet.com Email: corporate@nextnationnet.com
AUDITORS / REPORTING ACCOUNTANTS	:	SJ Grant Thornton (AF 0737) Chartered Accountants Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Wilayah Persekutuan Tel: 603-2692 4022 Fax: 603-2691 5229
SOLICITORS	:	Teh & Lee Advocates & Solicitors A-3-3 & A-3-4, Northpoint Offices Mid Valley City No.1, Medan Syed Putra Utara 59200 Kuala Lumpur Wilayah Persekutuan Tel: 603-2283 2800 Fax: 603-2283 2500
PRINCIPAL BANKER	:	CIMB Bank Berhad (13491-P) Level 2 Bangunan UMNO Selangor Lot P5.5 Persiaran Perbandaran Section 14 40675 Shah Alam Selangor Darul Ehsan Tel: 603-5511 3495 Fax: 603-5511 3508

CORPORATE DIRECTORY *(Cont'd)*

SHARE REGISTRAR	:	Tricor Investor Services Sdn Bhd (118401-V) Level 17, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur Wilayah Persekutuan Tel: 603-2264 3883 Fax: 603-2282 1886
ADVISER	:	Public Investment Bank Berhad (20027-W) 25th Floor, Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur Wilayah Persekutuan Tel: 603-2166 9382 Fax: 603-2166 9386
STOCK EXCHANGE AND LISTING	:	ACE Market of Bursa Securities

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NEXTNATION COMMUNICATION BERHAD
(Company No. 660055-H)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

20 December 2013

Board of Directors

Tey Por Yee *(Chief Executive Officer/Managing Director)*
See Poh Yee *(Executive Director)*
Yap Siok Teng *(Independent Non-Executive Director)*
Fu Lit Fung *(Independent Non-Executive Director)*
Leou Thiam Lai *(Independent Non-Executive Director)*
Ungku A. Razak Bin Ungku A. Rahman *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 608,806,200 RIGHTS SHARES TOGETHER WITH UP TO 304,403,100 FREE WARRANTS AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY FOUR (4) EXISTING NCB SHARES HELD AT 5.00 P.M. ON 20 DECEMBER 2013, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 120,000,000 RIGHTS SHARES TOGETHER WITH 60,000,000 FREE WARRANTS

1. INTRODUCTION

Our Board is pleased to inform you that our shareholders had approved, amongst others, the Rights Issue at our Company's EGM held on 19 September 2013.

At the same EGM, our shareholders had also approved the Diversification, the Increase in Authorised Share Capital and the MA Amendment.

A certified true extract of the resolutions pertaining to the Rights Issue passed at the said EGM is attached in Appendix I of this AP.

On 28 August 2013, PIVB, had on our behalf, announced that Bursa Securities had vide its letter dated 28 August 2013, granted its approval for the following:

(a) admission of the Warrants to the Official List of the ACE Market of Bursa Securities; and

(b) the listing of and quotation for the Rights Shares, Warrants and the new NCB Shares to be issued pursuant to the full exercise of the Warrants on the ACE Market of Bursa Securities.

The approval granted by Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	NCB and PIVB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	Noted
(b)	NCB and PIVB to inform Bursa Securities upon the completion of the Rights Issue;	To be met
(c)	NCB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once Rights Issue is completed; and	To be met
(d)	NCB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrant(s), as at the end of each quarter together with a detailed computation of listing fees payable.	To be met

The official listing of and quotation for the Rights Shares, Warrants, and the new NCB Shares to be issued arising from the full exercise of the Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

On 6 December 2013, PIVB, had on our behalf, announced that the Entitlement Date, whereby our shareholders must be registered on the Record of Depositors in order to participate in the Rights Issue, has been fixed at 5.00 p.m. on 20 December 2013.

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issue, and if given or made, such information or representation must not be relied upon as having been authorised by us or PIVB.

IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Introduction

In accordance with the terms of the Rights Issue as approved by the relevant authorities and our shareholders at the EGM on 19 September 2013 and subject to the terms of the Documents, our Company will provisionally allot up to 608,806,200 Rights Shares together with up to 304,403,100 free detachable Warrants at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every four (4) existing NCB Shares held on the Entitlement Date, based on the Minimum Subscription Level.

The Rights Issue will be undertaken on the Minimum Subscription Level which was determined by our Board after taking into consideration, amongst others, the funding requirements of our Group, which includes the working capital requirements and the funding for the Planned Development.

As an Entitled Shareholder, you will find enclosed with this AP:

(i) the NPA in respect of the number of Rights Shares with Warrants for which you are entitled to subscribe under the terms of the Rights Issue; and

(ii) the RSF which is to be used for the acceptance of the Rights Shares with Warrants provisionally allotted to you, and for the application of any Rights Shares with Warrants pursuant to the Excess Rights Shares with Warrants application, should you wish to do so.

You can fully or partially subscribe and/or renounce your entitlements for the Rights Shares with Warrants provisionally allotted to you. However, the Rights Shares and the free Warrants cannot be renounced separately. Should you renounce all of your Rights Shares entitlements under the Rights Issue, you shall not be entitled to any of the free Warrants attached with the Rights Shares, and if you accept only part of your Rights Shares, you shall be entitled to the free Warrants in the proportion of your acceptance of the Rights Shares entitlements.

In addition to taking up your respective entitlements under the Rights Issue, you may also apply for the Excess Rights Shares with Warrants under the Excess Rights Shares with Warrants application. It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, in a fair and equitable manner as further set out in Section 11.5 of this AP.

The Rights Shares with Warrants which are renounced, not validly taken up or are not allotted for any reason whatsoever, will first be made available for the Excess Rights Shares with Warrants application by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable). After which, any remaining unsubscribed Rights Shares with Warrants will be subscribed by the shareholders who have provided their Undertakings.

Any fractional entitlement under the Rights Issue shall be disregarded and the aggregate of such fractions, if any, shall be dealt with in such manner or on such terms as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

Any dealing in our Company's securities will be subject to, amongst others, the provision of the SICDA, the Rules of Bursa Depository and any other relevant legislation. The Rights Shares with Warrants will be credited directly into the respective CDS accounts of our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have successfully subscribed for such Rights Shares with Warrants. No physical share or warrant certificates will be issued.

The Rights Shares and Warrants to be issued pursuant to the Rights Issue will be listed and quoted on the ACE Market of Bursa Securities within two (2) Market Days upon the receipt of the application for quotation of the Rights Shares and the Warrants by Bursa Securities as specified under the Listing Requirements.

The Warrants will be detached from the Rights Shares immediately upon issuance and traded separately on the ACE Market of Bursa Securities. The Warrants will be issued at no cost together with the Rights Shares to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have successfully subscribed for such Rights Shares. Successful applicants who subscribe for two (2) Rights Shares will be entitled to one (1) free Warrant. The Warrants are exercisable into new NCB Shares at an exercise price of RM0.11 per Warrant for one (1) new NCB Share.

Our Company shall despatch notices of allotment to the successful applicants within eight (8) Market Days from the last day for acceptance and payment of the Rights Shares with Warrants or such other period as may be prescribed by Bursa Securities.

2.2 Basis of determining the issue price of the Rights Shares and the exercise price of the free Warrants

The issue price of RM0.10 per Rights Share and the exercise price of RM0.11 per Warrant for one (1) new NCB Share were arrived at after taking into consideration, amongst others, the following:

(i) the minimum issue price allowable under the Act, which is not less than the par value of the NCB Shares of RM0.10 each;

(ii) the five (5)-day VWAMP of RM0.085 per NCB Share up to and including 26 June 2013, being the latest practicable date prior to the announcement of the Corporate Exercises and the TERP of the NCB Shares;

(iii) the quantum of proceeds to be raised for the funding requirements of our Group moving forward; and

(iv) the future prospects of our Group over the tenure of the Warrants.

In addition, the Warrants will be issued for free to the Entitled Shareholders and/or their renouncees/transferees who subscribe for the Rights Shares pursuant to the Rights Issue. The Warrants may be exercised by the holders at their own discretion.

Premised on the foregoing, our Board is of the opinion that the issue price of RM0.10 per Rights Share and the exercise price of RM0.11 per Warrant for one (1) new NCB Share is reasonable and in the best interest of our Company.

For illustrative purposes, the TERP of the NCB Shares, based on the above five (5)-day VWAMP of RM0.085 per NCB Share up to and including 26 June 2013, being the last Market Day prior to the announcement of the Rights Issue, is RM0.090. Hence, the issue price per Rights Share of RM0.10 represents a premium of approximately RM0.010 or 11.11% over the TERP of the NCB Shares and the exercise price of RM0.11 per Warrant represents a premium of approximately RM0.020 or 22.22% over the TERP.

The basis for attaching the Warrants to the Rights Shares is to provide our Entitled Shareholders and/or their renounce(s)/transferee(s) with added incentive to subscribe for the Rights Shares by enabling them to have a greater participation in the equity of our Company.

2.3 Ranking of the Rights Shares and the new NCB Shares to be issued arising from the full exercise of the Warrants

The Rights Shares and the new NCB Shares to be issued arising from the full exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing ordinary shares of our Company, except that they shall not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the Rights Shares or the new NCB Shares to be issued arising from the full exercise of the Warrants.

2.4 Principal terms of the Warrants

The principal terms of the Warrants are as follows:

Issuer	:	NCB
Number of Warrants	:	Up to 304,403,100 Warrants to subscribe for up to 304,403,100 new NCB Shares.
Form and denomination	:	The Warrants will be constituted by a Deed Poll executed by NCB. The Warrants which are to be issued with the Rights Shares are immediately detachable from the Rights Shares upon allotment and issuance. The Warrants will be issued in registered form and traded separately on Bursa Securities.
Issue Price	:	The Warrants are to be issued free to the Entitled Shareholders and renouncee(s) who subscribe for the Rights Shares.
Exercise Rights	:	Each Warrant entitles the registered holder to subscribe for one (1) new NCB Share at the Exercise Price at any time during the Exercise Period.
Exercise Price	:	The exercise price of the Warrants is fixed at RM0.11 per Warrant. The exercise price and/or the number of Warrants in issue during the Exercise Period shall however be subject to adjustments under certain circumstances in accordance with the terms and provisions of the Deed Poll to be executed by our Company.

Exercise Period	:	The Warrants may be exercised at any time during the tenure of the Warrants of ten (10) years including and commencing from the issue date of the Warrants and ending at 5.00 p.m. on a date which falls on the day before the tenth (10^{th}) anniversary of the issue date of the Warrants, provided that if such day falls on a day which is not a market day, then on the preceding Market Day. The Warrants not exercised during the Exercise Period will thereafter lapse and become void.
Mode of exercise	:	The holders of Warrants shall pay cash by way of banker's draft or cashier's order drawn on a bank in Malaysia for the aggregate Exercise Price payable when exercising the Warrants and subscribing for new NCB Shares.
Adjustment in the Exercise Price and/or the number of Warrants in the event of alteration to the share capital	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or the number of Warrants held by each holder of Warrants shall be adjusted by our Board in consultation with an approved adviser appointed by our Company for the purposes of the Deed Poll and certified by the auditors in the event of alteration to the share capital of our Company, in accordance with the provisions as set out in the Deed Poll.
Modification of rights of the Warrants holders	:	Save as otherwise provided in the Deed Poll, a special resolution of the Warrants holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrants holders.
Rights in the event of winding up, liquidation or an event of default	:	Where a resolution has been passed by our Company for a members' voluntary winding-up or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies: (a) for the purpose of such a winding-up, compromise or arrangement (other than consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the holders of Warrants or some persons designated by them for such purposes by special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the holders of Warrants; and (b) in any other cases, every Warrant holder shall be entitled at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of our Company or within six (6) weeks after the granting of the court order approving the winding-up, compromise or arrangement, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights represented by his Warrants and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new NCB Shares to which he would have become entitled pursuant to such exercise. Upon the expiry of the above six (6) weeks, all Exercise Rights of the Warrants shall lapse and cease to be valid for any purpose.
Board Lot	:	The Warrants are tradable upon listing in board lots of one hundred (100) units, carrying the right to subscribe for one hundred (100) new NCB Shares or such other number of units as may be prescribed by Bursa Securities.

Rights of the Warrants holders	:	The holders of the Warrants are not entitled to any voting rights in any general meeting of our Company or to participate in any distribution and/or offer of further securities in our Company until and unless such holder of Warrants are issued with new NCB Shares arising from their exercise of the Warrants.
Status of the new NCB Shares to be issued pursuant to the exercise of the Warrants	:	The new NCB Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issue, rank *pari passu* in all respects with the then existing NCB Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of our Company, the entitlement date of which is prior to the date of allotment of the said new NCB Shares to be issued arising from the exercise of the Warrants.
Modification	:	Any modification to the terms and conditions of the Deed Poll may be effected only by a further deed poll, executed by NCB and expressed to be supplemental hereto. Any of such modification shall however be subject to the approval of Bursa Securities (if so required). NCB in consultation with an approved adviser, appointed by our Company for the purposes of the Deed Poll, may from time to time without the consent or sanction of the Warrant holder make any modification (except to provisions for convening meetings of the Warrant holders) to the Deed Poll which will not be materially prejudicial to the interest of the Warrant holders or is to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia.
Listing	:	ACE Market of Bursa Securities.
Transferability	:	The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
Governing Law	:	The laws of Malaysia.

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3. OTHER CORPORATE EXERCISES

Save for the Rights Issue, the other corporate exercises mentioned in Section 1 of this AP and as disclosed below, there are no other outstanding corporate exercises that have been approved by the relevant regulatory authorities but not yet implemented as at the LPD:

(a) On 1 August 2012, our Board had announced that Nextnation Network Sdn. Bhd. ("**NNSB**"), a wholly-owned subsidiary of NCB had, entered into a SPA on even date with Vision Eagle Holdings Limited, in respect of the disposal of its entire equity interest held in Prisma Interactive Sdn Bhd (*formerly known as Nextnation Interactive Sdn Bhd*), a wholly-owned subsidiary of NNSB, for a total cash consideration of RM13,000,000 subject to the terms and conditions contained therein. This proposal is pending the payment for the stamp duty to effect the transfer of the equity instrument, which is expected to be completed by the end of December 2013.

(b) On 30 August 2012, our Board had announced that NDSB, had on 29 August 2012 entered into an MOU with PTGTM to jointly form a working group to evaluate the feasibility to develop the Cyberjaya Land. Subsequently on 23 May 2013, our Board announced that NDSB has entered into a new MOU with PTGTM on 23 May 2013 to supersede the initial MOU and after further re-evaluation, the parties agreed to formulate a new role and involvement of PTGTM in the project and to negotiate, among others, the principal terms and conditions of PTGTM's purchase or off-take of the Phase I of the Planned Development. The MOU shall be valid for a period of twelve (12) months from the date of the new MOU or execution of the formal agreement, whichever is the earlier.

(c) On 16 November 2012, our Board had announced that Godynamic Investments Limited ("**GIL**"), a 51% owned subsidiary of NNSB, had on 12 November 2012, entered into a SPA with Lifenote Inc. in respect of the disposal of its entire equity interest held in Vinamob Venture Company Limited, for a total cash consideration of USD200,000 or equivalent to approximately RM626,000 (based on the exchange rate of USD1.00:RM3.13 as at 16 November 2012) subject to the terms and conditions contained therein. This proposal is pending for the balance of the sale consideration from the buyer, which is expected to be made by the end of January 2014.

(d) On 29 April 2013, our Board had announced that GIL, had on 26 April 2013 entered into a share SPA with True Accurate Limited ("**TAL**") for the disposal of 57 ordinary shares of USD1.00 each, representing 60% shareholding in the capital of Elasitas Technologies Limited, an 87% subsidiary of GIL to TAL for a total cash consideration of USD2.6 million (equivalent to RM7.97 million) subject to terms and conditions therein contained. This proposal is pending for the balance of the sale consideration from the buyer.

(e) On 12 September 2013, our Board had announced that NNSB had on even date entered into a SPA with Ng Kim Cheong and Chin Chze Yin to dispose of a freehold land held under Geran 252460, Lot 71510 (*formerly held under H.S. (D) 166471, PT 17492*) in Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring approximately 156 square metres in area together with a five (5) storey shop-offices (with individual lift) erected thereon bearing the postal address No. 9-G, 9-1, 9-2, 9-3 & 9-4, Pusat Dagangan NZX, Jalan PJU 1A/41B, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan for a total cash consideration of RM2,100,000 subject to the terms and conditions contained therein. The buyer is currently in the process of obtaining bank borrowing for the acquisition.

(f) On 26 September 2013, our Board had announced that NCB is proposing to change its name from Nextnation Communication Berhad to Nexgram Holdings Berhad ("**Proposed Change of Name**"). The Proposed Change of Name was approved by our shareholders at our ninth (9th) annual general meeting held on 28 October 2013. The Proposed Change of Name is expected to be implemented subsequent to the completion of the Rights Issue.

(g) On 21 November 2013, our Board had announced that NNSB had on even date entered into an SPA with YSL Capital Sdn Bhd (*formerly known as Tegas Niaga Sdn Bhd*) to dispose of a freehold land held under Geran 252459, Lot 71509 (*formerly held under H.S. (D) 166472, P.T. 17493*) in Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring approximately 156 square metres in area together with a five (5) storey shop-offices erected thereon bearing the postal address No. 11-G, 11-1, 11-2, 11-3 and 11-4, Pusat Dagangan NZX, Jalan PJU 1A/41B, Ara Jaya, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan for a total cash consideration of RM2,100,000 subject to the terms and conditions contained therein.

4. SHAREHOLDERS' UNDERTAKING AND UNDERWRITING ARRANGEMENT

Our Board intends to raise a minimum of RM12.00 million from the Rights Issue. In order to achieve this, our Board has procured the following written undertakings:

(i) STSB had on 14 June 2013, provided an irrevocable written undertaking to subscribe for its Rights Shares entitlement; and

(ii) TPY had on 14 June 2013 provided an irrevocable written undertaking to subscribe for his Rights Shares entitlements and the requisite number of Excess Rights Shares not subscribed by the other Entitled Shareholders in order to achieve the Minimum Subscription Level.

Details of the Rights Shares entitlements and the Undertakings of the shareholders providing the undertakings are set out in the table below:

Shareholders	No. of NCB Shares held as at the LPD		Rights Shares entitlements		Undertakings	
	No. of NCB Shares	%	No. of NCB Shares	%*	No. of NCB Shares	%*
STSB	79,880,000	9.44	39,940,000	9.44	39,940,000	9.44
TPY	52,666,800	6.22	26,333,400	6.22	80,060,000	18.93

Note:

* *As a percentage of 423,026,700, being the maximum number of Rights Shares to be issued based on the issued and paid-up share capital of NCB as at the LPD of 846,053,400.*

Arising from their obligations pursuant to the Undertakings, STSB and TPY have confirmed via their letters dated 14 June 2013 that they have sufficient financial resources to subscribe for the Rights Shares with Warrants pursuant to their Undertakings. In addition, PIVB has verified that STSB and TPY have the financial resources to fulfil their commitments pursuant to the Undertakings.

In view of the Undertakings, the Rights Issue will not be underwritten.

In the event the shareholders providing the undertakings fail to fulfil their obligations as stipulated in the irrevocable undertakings, and the Minimum Subscription Level is not achieved, our Company will not proceed with the implementation of the Rights Issue.

As at the LPD, our Company does not have any other alternative fund raising plan in the event the Minimum Subscription Level is not achieved.

The Undertakings will not trigger any take-over implications pursuant to Part III of the Code.

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5. UTILISATION OF PROCEEDS

For illustrative purposes, based on the renounceable rights issue of up to 608,806,200 Rights Shares together with up to 304,403,100 Warrants at an issue price of RM0.10 per Rights Share, the Rights Issue is expected to raise gross proceeds of up to approximately RM60.88 million (excluding proceeds from any exercise of the Warrants in the future, if any).

The proceeds are expected to be utilised by our Group in the following manner:

	Minimum Scenario RM'000	Maximum Scenario RM'000	Expected timeframe for utilisation of proceeds from the date of receipt
Planned Development[(a)]	11,300	40,000	Within thirty-six (36) months
Acquisition of new businesses or assets[(b)]	-	18,578	Within twenty-four (24) months
Working capital[(c)]	-	1,603	Within eighteen (18) months
Estimated expenses for the Corporate Exercises[(d)]	700	700	Within six (6) months
Total	**12,000**	**60,881**	

Notes:

(a) *The estimated costs associated with the Planned Development includes payment for preliminary expenses such as professional fees, land premiums, the development order, government contributions and the construction costs of Phase 1 of the Planned Development.*

The details of the costs associated with the Planned Development to be settled by the proceeds from the Rights Issue are set out below:

Description	*Minimum Scenario RM'000*	*Maximum Scenario RM'000*
Construction cost	*2,610*	*27,190*
Professional fees	*2,210*	*3,450*
Marketing, project management & administrative expenses	*1,070*	*3,600*
Land premiums, government charges and contributions	*5,410*	*5,410*
Others	*-*	*350*
Total	***11,300***	***40,000***

Any shortfall between the actual proceeds raised pursuant to the Rights Issue and the expected proceeds as shown in the Maximum Scenario will be financed via bank borrowings at the discretion of the management of our Company.

(b) *The proceeds of up to RM18.58 million to be raised is based on the assumption that the Existing Warrants are exercised prior to the Rights Issue. However, there is no certainty that the Existing Warrants will be exercised prior to the Rights Issue and that the amount of RM18.58 million will be raised via the Rights Issue.*

As at the LPD, our Board has yet to identify any suitable and viable investment opportunities. Announcements will be made when such investments have been identified and concluded by our Board. If the nature of the transaction requires shareholders' approval pursuant to Chapter 10 of the Listing Requirements, our Board will seek the necessary approval from the shareholders. Pending the identification of suitable investment opportunities, our Board intends to place such proceeds to be received pursuant to the Rights Issue in interest-bearing fixed deposit accounts with licensed financial institution(s) or in short-term money market instruments. In the event our Group fails to identify any suitable acquisition opportunities within twenty four (24) months from the date of completion of the Rights Issue, the proceeds will be utilised for our Group's general working capital requirements.

In the event the Rights Issue is undertaken on the Minimum Subscription Level, our Group will fund its future acquisition of new businesses or assets (if any) through other means and are not limited to bank borrowings or internally-generated funds. The management will give priority to new businesses/assets which are in the same or complementary business as NCB's existing business. Nevertheless, new businesses/assets not in the same or complementary business may be considered on their own investment merits.

(c) *The proceeds of up to RM1.60 million shall be utilised for the working capital requirements of our Group, which include the payment of creditors, utilities expenses, employee remuneration expenses, marketing and other operating expenses as below:*

Description	***Maximum Scenario RM'000***
Payment of creditors	*1,500*
*Other operating expenses**	*103*
Total	***1,603***

* *The details of the other operating expenses of up to approximately RM0.10 million to be paid using the proceeds from the Rights Issue are as follows:*

Description	***Maximum Scenario RM'000***
Rental of premises	*63*
Quit rent	*40*
Total	***103***

Under the Minimum Scenario, the working capital will be funded via internally generated funds.

(d) *The estimated expenses of the Corporate Exercises are approximately RM700,000, mainly consisting of estimated professional fees, fees payable to the relevant authorities and other miscellaneous expenses. Any surplus or shortfall of funds allocated for the payment of the estimated expenses will be adjusted accordingly from the working capital, as the case may be.*

For illustrative purposes, the maximum quantum of proceeds to be received by our Company pursuant to the full exercise of up to 304,403,100 Warrants to be issued pursuant to the Rights Issue is up to approximately RM33.48 million.

However, the actual quantum of proceeds to be received by our Company is dependent upon the actual number of Warrants exercised during the exercise period of the Warrants. Nevertheless, our Group intends to use such proceeds received by our Company, if any, for working capital and business expansion purposes, the details of which has yet to be determined as at the LPD.

6. RATIONALE FOR THE RIGHTS ISSUE

The rationale and justification for the Rights Issue are as follows:

(i) to raise funds to partially finance the Planned Development to reduce the amount of external financing required;

(ii) to strengthen its eventual capital base upon issuance of the Rights Shares and the exercise of the Warrants (if any);

(iii) the issuance of the new NCB Shares would not dilute the percentage of shareholding of the existing shareholders, assuming that all the Entitled Shareholders fully subscribe for their respective entitlements; and

(iv) to provide the Entitled Shareholders with an option to further participate in the equity of our Company at a predetermined Exercise Price during the exercise period of the Warrants. Proceeds from the exercise of the Warrants, if any, will provide an additional source of funds to be used for future working capital and business expansion of our Group.

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7. RISK FACTORS

In addition to the other information contained herein, you should carefully consider the following risk factors (which may not be exhaustive) before making your decision on whether to subscribe for your entitlements to the Rights Shares with Warrants:

7.1 Risks relating to the operations and business of our Group

7.1.1 Business risks

Our Group is principally engaged in programming services, software development, internet consulting, provision of information technology services, development and distribution of retail mobile application solutions and provision of multiple gateways for technology enabling and content provisioning. Hence, we are subject to certain risks inherent in the ICT industry.

These risks include changes in general economic conditions such as, but not limited to, government regulations, inflation, taxation, interest rates and exchange rates of foreign currencies as well as changes in business conditions such as, but not limited to, changes in demand for and market acceptance of our products and services, our ability to introduce and successfully market new products and services and enhancements in a timely manner, changes in consumer preferences and market perception as well as rapid technological changes.

Although we seek to limit these risks through, *inter-alia*, practicing prudent management policies, continuous review of our operations, constantly keeping abreast of the latest development in the ICT industry and improving our technological efficiency through R&D, there is no assurance that any changes to these inherent risks associated with the ICT industry will not adversely affect our Group's businesses.

7.1.2 Competition and technological changes of the ICT industry

Our Group faces the risk of high competitiveness in the ICT industry and rapid technological change which could limit our Group's ability to attract and retain customers. Rapid change in technology and introduction of new industry standards, competitive pressures from dominant players, creative functionality, software piracy, freeware and open source technologies, technological obsolesces and untested business models or platforms are other threats and risk associated with the ICT industry.

Future success and staying relevant in the ICT industry will depend significantly upon our ability to adapt to the on-going advances in technology and to address the increasingly needs of our customers such as changes in customers' preference with the development of new products and designs. Besides, the timely development of new or enhanced products and services is a complex and uncertain process. Even though our Group believes that we will have adequate funding and skilled personnel to implement our business plan, there can be no assurance that our Group will be able to accurately anticipate the technological and market trends in the industry and continue to have sufficient resources to support the long development cycles.

We might also experience design, marketing and other difficulties that could delay or prevent the development of existing or new products and services, and the introduction or marketing of new or enhanced products and services. Furthermore, there is no assurance that the demand for our products and services will not decline as our competitors develop and introduce newer solutions, or solutions with better features and functionalities.

In order to mitigate these risks, our technical personnel have been continually kept updated with relevant knowledge, skills and development in their respective fields of software development to ensure that they are proficient in performing their respective job responsibilities.

In addition, our management team keeps themselves abreast of the latest trend in the industry, in periodic discussion with industry players, partners, clients within and beyond Malaysia as well as perform market analysis. Our Group continuously adopts measures to improve productivity and maintain our competitiveness through professional expertise in complex ICT activities, continued emphasis on product quality and design and cost management to ensure the needs of our target customers are fulfilled.

Our Group is also actively engaging in R&D activities that focus on developing new products and services as well as enhancing our proprietary solutions based on the latest cost and operationally effective technological platform to meet the changing needs of the market. However, there can be no assurance that we would be able to develop new products and services which meet the needs of our customers on a timely manner and cost effective basis.

7.1.3 Dependence on key personnel

Our Group believes that our continued success will depend, to a certain extent, upon the abilities and continued efforts of our existing executive directors and key management and key technical personnel. The loss of any of our Group's executive directors or key members of our Group's senior management may adversely affect our Group's continued ability to compete.

Our Directors recognise the importance of our Group's ability to attract and retain professionally trained senior management and experienced personnel. Thus, we have in place an appropriate human resource strategy and succession plan that includes competitive remuneration packages, training, conducive working environment and opportunity for career growth. However, there is no assurance that these measures will always be successful or relevant in retaining key personnel or ensuring a smooth transition should changes occur.

7.1.4 Political, economic and regulatory considerations

Our operations and financial performance may be adversely affected by unfavourable political, economic, monetary and regulatory developments. These factors include, but are not limited to, level of inflation, interest rates, exchange rates and changes in political leadership and government's fiscal, monetary and regulatory policies in Malaysia and in countries where our products and services are exported.

Whilst our Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, to a material extent, the above-mentioned risks are beyond our control. Hence, there is no assurance that adverse political, economic, monetary and regulatory factors will not materially affect our Group's businesses and financial performance.

7.1.5 Interest rate risks

Interest rate exposure and the resultant interest rate risk arise from our Group's interest-bearing debts. Our Group manages our interest rate exposure by maintaining a mix of fixed and floating rate borrowings where possible. However, there is no assurance that any adverse movement in interest rate would not impact on the financial and operational performance of our Group.

7.1.6 Credit risks

Our Group's exposure to credit risk arises mainly from trade receivables and other receivables. For other financial assets, our Group and our Company minimises credit risk by dealing with counterparties of high credit rating, reputation and track record. Our Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit exposure. Our Group trades only with recognised and creditworthy third parties. It is our Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that our Group's exposure to bad debts is not significant, as the provision for doubtful debts are only 1.61% of the Company's total receivable balance (as extracted from the audited accounts of NCB as at 30 April 2013). Notwithstanding that, there is no assurance that despite measures undertaken by our management, the risk of non-payment by our customers would still exist and should any receivables become non-recoverable, it would have an adverse impact on our financial performance.

7.1.7 Delays in R&D

Our Group is involved in rapidly evolving industry and its success lies within its speed and ability to change and develop up-to-date solutions and services to remain competitive. Our Group has our own in-house R&D team to conduct research in order to improvise its solutions and services. Our R&D team is able to assist and support in providing services to meet demands of its customers. However, completion and successful implementation of R&D requires substantial amount of lead-time. Even though our Group seeks to mitigate this risk by effectively allocating its resources, there can be no assurance that there will not be any delays in completion of its R&D efforts which will cause material adverse effect on its business and financial performance.

7.1.8 Maintenance and reliability of the telecommunications network infrastructure

Our Group's solutions and services depend partly on the maintenance of reliable telecommunication network infrastructure comprising network equipment and data centre facilities. In any case of disruption to the telecommunication network performance, it may adversely affect the services provided to customers which could directly affect our Group's revenue. To mitigate such risk, our Group will constantly monitor the quality and reliability of our services to ensure strict compliance as per quality standards of our Group. Our Group is also continuously evaluating and exploring other potential technological alternatives to help reduce dependency on existing infrastructure or facility.

7.2 Risks relating to the property development industry

7.2.1 Business diversification risk

As the implementation of the Diversification would result in our Group's business to include property development, our Group will be subject to new challenges and risks arising from the property development business in which our Group has not been directly participating in the past.

The Diversification is subject to certain risks inherent in the property development industry including, inter-alia, timely commencement or completion of the Planned Development, obtaining the timely approvals from the regulatory authorities, satisfactory performance of contractors, availability of labour and building materials, fluctuations in prices of building materials, general economic downturn, changes in demand for residential and commercial properties, and changes in the legal and environmental framework within which the industry operates.

Our Group seeks to limit these risks through, inter-alia, effective human resource development strategies, market research and feasibility studies, keeping abreast with the latest developments in the property development market including monitoring the consumers' preference and lifestyle, careful planning, continuous review and close supervision on the progress of the project, effective management to ensure cost containment and innovative marketing and pricing strategies to ensure the marketability of the Planned Development.

However, there is no assurance that any changes to these risks factors will not have a material adverse effect on our Group's business and earnings in the future.

7.2.2 Performance of the property market

Our Company's existing property development project is located in Malaysia and the success of our business therefore heavily depends on the continued growth of the property market in Malaysia, especially in Cyberjaya as well as the surrounding Asia Pacific Region.

Property projects require a substantial amount of time to develop and we could incur losses if we have to sell our projects during weaker economic conditions. Property developments are relatively illiquid and accordingly our ability to vary our portfolio promptly in response to economic, financial, property market or other conditions are limited.

The property development industry will be significantly affected by economic and political uncertainties and changes in demographic trends, employment and income levels, amongst other factors. Political and economic uncertainties include but not limited to the risk of war, terrorism, riot, expropriation, nationalism, changes in interest rates, foreign exchange rates, methods of taxation and import duties and restrictions. Any change in government policy or any political instability in Malaysia, which includes amongst others, the increase in the rate of real property gains tax, the increase in the minimum price of property that can be purchased by foreigners from RM500,000 to RM1,000,000, increased transparency in property sales prices and prohibition on developers from implementing projects that have features of developer interest bearing scheme as announced by the Government in the Budget 2014, may result in price instability and imbalance between supply of, and demand for, properties in Malaysia.

The above mentioned factors could negatively affect the valuation of our projects under development and our planned projects, which could have a material adverse effect on our business, financial condition and results of operations.

7.2.3 Completion risk and delay in completion of the Planned Development

There is a potential risk that the Planned Development may not be completed on time or that that the returns from the Planned Development may have a longer payback period than expected due to various factors including, *inter-alia*, unavailability of skilled manpower and building materials, delay in obtaining approvals from the relevant authorities for the development, or the inability to secure adequate funding for the Planned Development. Adverse developments in respect of these factors can lead to interruptions or delays in completing a project, which can consequently result in cost overruns and affect the profitability and cash flows of our Group.

Although our Group will mitigate this risk by appointing a reputable contractor to construct the phases in the Planned Development, as well as review and evaluate the market conditions and the work in progress and cashflow of the Planned Development on a continuous basis, there can be no assurance that the Planned Development or other development projects to be undertaken in the future will not be delayed and such challenges would have an adverse material impact on our Group's future financial performance.

7.2.4 Financing risks

Property development is considered a capital intensive business. The availability of, or the ability to secure adequate financing is critical to our Group's ability to embark, on and complete development projects. The incurrence of debt to finance the development costs will result in new interest/principal servicing obligations to our Group. Besides increasing the gearing level, new bank borrowings incurred could result in operating and financial covenants being imposed that could restrict, to a certain extent, its operations and its ability to pay dividends to its shareholders. If our Group does not have adequate resources to finance the property development projects, this will have an adverse effect on its future property development and property investment business.

In mitigating such risks, our Group has decided to undertake the Rights Issue. The funds raised via the Rights Issue are expected to reduce the amount of external financing required. In addition, our Group will actively review its debt portfolio taking into account the level, structure and nature of borrowings and seek to adopt appropriate cost effective and optimal mix of financing options. While every effort is taken to ensure that no adverse effects would arise from the interest/principal servicing commitments, there is no assurance that it will not have any material impact on our Group's financial performance in the future. Nevertheless, our Group will be able to reduce the gearing level via the future earnings and cashflows to be generated from development projects in the future.

7.3 Risks relating to the Rights Issue

7.3.1 Investment risks

The market price of NCB Shares and other securities to be issued pursuant to the Rights Issue will be influenced by, amongst others, prevailing market sentiments, volatility of the stock market, the prospects and operating results of our Group and the future outlook of the ICT industry and the property development industry. Therefore, the future liquidity and trading volume of our shares and other securities is unknown at this juncture.

The issue price of RM0.10 per Rights Share, the exercise price of RM0.11 per Warrants were derived after taking into consideration the par value of the NCB Shares of RM0.10 each and the five (5)-day VWAMP of our shares up to and including 26 June 2013 of RM0.085 per share, being the last trading day prior to the announcement of the Corporate Exercises on 27 June 2013.

There is no assurance that the market price of the Rights Shares, upon or subsequent to their listing, will remain at or above the issue price, or that the Rights Shares can be sold at or above the issue price. Also, there is no assurance that the Exercise Price of the Warrants will be in-the-money during the tenure of the Exercise Period of the Warrants.

7.3.2 Factors affecting the Warrants

Our Company believes that a variety of factors could cause the price of the Warrants to fluctuate, perhaps substantially, including but not limited to trades of substantial amount of Warrants in the public market in the future, fluctuation in the price of the underlying NCB Shares, announcements of developments relating to our business and the future financial performance of our Group.

The future price performance of the Warrants will also depend on various external factors, such as prospects of the ICT industry in which our Group operates, the economic, monetary and political conditions of the country and globally, outlook of interest rates, the investors sentiments and liquidity in the local stock market as well as the performance of regional and world bourses and other external environment affecting the economies.

Notwithstanding the above, it should be noted that our Group's financial performance is not dependent on the performance of the Shares and the Warrants.

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7.3.3 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

(i) *force majeure* events or events/circumstances which are beyond the control of our Company, arising prior to the implementation of the Rights Issue; or

(ii) TPY and STSB as set out in Section 4 above who have given the Undertakings to subscribe for the Rights Issue may not fulfil or be able to fulfil its obligation.

In the event of failure in the implementation of the Rights Issue, all application monies received pursuant to the Rights Issue will be refunded without interest within fifteen (15) Market Days from the last date for acceptance and payment to our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares as the case may be. If any such monies are not refunded within fifteen (15) Market Days from the last date for acceptance and payment for the Rights Shares, then such monies will be refunded with interest at the rate of ten percent (10.0%) per annum or at such other rate as may be prescribed by the SC from the expiration of that period.

Notwithstanding the above, our Company will exercise its best endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue on the issued and paid-up share capital of our Company are as follows:

		Minimum Scenario		Maximum Scenario	
	Par value RM	No. of NCB Shares	RM	No. of NCB Shares	RM
As at the LPD	0.10	846,053,400	84,605,340	846,053,400	84,605,340
To be issued pursuant to the full exercise of the Existing Warrants	0.10	-	-	371,559,000	37,155,900
	0.10	846,053,400	84,605,340	1,217,612,400	121,761,240
To be issued pursuant to the Rights Issue	0.10	120,000,000	12,000,000	608,806,200	60,880,620
	0.10	966,053,400	96,605,340	1,826,418,600	182,641,860
To be issued pursuant to the full exercise of the Warrants	0.10	60,000,000	6,000,000	304,403,100	30,440,310
Total enlarged issued and paid-up share capital	0.10	**1,026,053,400**	**102,605,340**	**2,130,821,700**	**213,082,170**

8.2 NA and gearing

The proforma effects of the Rights Issue on the NA and gearing of our Group, based on the audited consolidated statement of financial position of our Company as at 30 April 2013 are as follows:

Minimum Scenario

	Audited as at 30 April 2013 RM'000	(I) Adjusted for subsequent events* RM'000	(II) After (I) and the Rights Issue RM'000	(III) After (II) and the full exercise of the Warrants RM'000
Share capital	65,405	84,605	96,605	102,605
Share premium	4,551	39,111	35,771^	39,011
Translation reserve	(294)	(294)	(294)	(294)
Warrant reserve	4,380	8,220	10,860#	8,220
Retained earnings	33,674	33,374	33,374	33,374
Shareholders' equity/NA	107,716	165,016	176,316	182,916
No. of ordinary shares ('000)	654,053	846,053	966,053	1,026,053
NA per ordinary share	0.16	0.20	0.18	0.18
Borrowings (RM'000)	19,752	19,752	19,752	19,752
Gearing (times)	0.18	0.12	0.11	0.11

Notes:

* *Adjusted for the following:*

(i) issuance of 192,000,000 new NCB Shares issued at RM0.30 pursuant to the Acquisition of the Boutique Building which was completed on 2 August 2013.

(ii) issuance of 120,000,000 warrants pursuant to the Acquisition of the Boutique Building which was completed on 2 August 2013.

\# *For illustration purposes, the Warrants are assumed to have an adjusted fair value of RM0.044 each after taking into account the indicative fair value of the Warrants derived based on the Black-Scholes Option Pricing Model.*

^ *After deducting estimated expenses of RM700,000 for the Corporate Exercises.*

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Maximum Scenario

	Audited as at 30 April 2013 RM'000	(I) Adjusted for subsequent events* RM'000	(II) After (I) and the full exercise of the Existing Warrants RM'000	(III) After (II) and the Rights Issue RM'000	(IV) After (III) and the full exercise of the Warrants RM'000
Share capital	65,405	84,605	121,761	182,642	213,082
Share premium	4,551	39,111	77,331~	63,238^	79,675
Translation reserve	(294)	(294)	(294)	(294)	(294)
Warrant reserve	4,380	8,220	-	13,393#	-
Retained earnings	33,674	33,374	33,374	33,374	33,374
Shareholders' equity/NA	107,716	165,016	232,172	292,353	325,837
No. of ordinary shares ('000)	654,053	846,053	1,217,612	1,826,419	2,130,822
NA per ordinary share	0.16	0.20	0.19	0.16	0.15
Borrowings (RM'000)	19,752	19,752	19,752	19,752	19,752
Gearing (times)	0.18	0.12	0.09	0.07	0.06

Notes:

* *Adjusted for the following:*

(i) issuance of 192,000,000 new NCB Shares issued at RM0.30 pursuant to the Acquisition of the Boutique Building which was completed on 2 August 2013.

(ii) issuance of 120,000,000 warrants pursuant to the Acquisition of the Boutique Building which was completed on 2 August 2013.

~ *Assuming the full exercise of 251,559,000 Existing Warrants at an exercise price of RM0.10 and 120,000,000 Existing Warrants at an exercise price of RM0.35.*

\# *For illustration purposes, the Warrants are assumed to have an adjusted fair value of RM0.044 each after taking into account the indicative fair value of the Warrants derived based on the Black-Scholes Option Pricing Model.*

^ *After deducting estimated expenses of RM700,000 for the Corporate Exercises .*

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8.3 Earnings and EPS

The Rights Issue is expected to be completed by the fourth (4^{th}) quarter of 2013 and is not expected to have any material impact on the consolidated earnings of our Group for the FYE 2014.

Barring any unforeseen circumstances, our Board expects that the Diversification and the Rights Issue will contribute positively to the future earnings of our Group as its proceeds will be utilised mainly to fund the development of the Cyberjaya Land pursuant to the Planned Development, which is expected to generate gross development profits of approximately RM70.00 million as per the feasibility study for the Planned Development carried out by AISB.

On a standalone basis, the EPS of NCB may be diluted as a result of the increase in the number of NCB Shares arising from the Rights Issue as well as the exercise of the Warrants into new NCB Shares, in the event that the earnings of our Group does not increase in tandem with the increase in the number of NCB Shares issued. However, the actual extent of dilution to the EPS of NCB is dependent on, amongst others, the utilisation of proceeds, the actual number of Warrants exercised and the future earnings of our Group.

9. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

9.1 Overview and outlook of the Malaysian economy

The Malaysian economy has been making commendable progress since the launch of the national transformation agenda in 2010 and is on track to become a high-income and developed nation by 2020. GDP growth has been strong with low unemployment and manageable inflation. Meanwhile, the export structure has become diversified with higher intra-regional trade. Given the resilience of the domestic economy and better growth prospects in the US, Japan and China during the second half of the year, the Malaysian economy is expected to expand at a firmer pace in the second half and to achieve 4.5% to 5% in 2013.

The 2013 Budget has further strengthened the transformation agenda through various programmes and projects. To ensure public finances remain sound over the longer term, the Government set up the Fiscal Policy Committee in June 2013. In 2013, domestic investment activity was boosted by launch of the Refinery and Petrochemical Integrated Development (RAPID) project in Pengerang, Johor under the ETP.

Meanwhile, private consumption will be supported by stable employment conditions, higher wage growth, especially in the domestic-oriented sectors and cash transfers to targeted households. Public consumption is expected to increase following the civil servants' recent salary increment in July 2013.

On the supply side, growth is expected to be supported by expansion in all economic sectors. In tandem with strong domestic demand, the services and manufacturing sectors are expected to drive growth. Growth in the construction sector will continue to expand, supported by higher activity in the residential segment and key public infrastructure projects during the second half of 2013.

Malaysia's external position is expected to remain resilient despite affected by the weak external demand during the first half of 2013. In the financial account, inflows of foreign direct investment are expected to increase, encouraged by renewed investors' confidence on the Malaysian economy after the 13th General Election and better prospects of the global economy during the second half of the year. However, short-term capital inflows are likely to be volatile amid concerns on the tapering of the third round of quantitative easing by the Federal Reserve of the United States.

Headline inflation is expected to increase and average 2% - 2.5% in 2013 (2012: 1.6%). The higher inflation is mainly driven by the 20 sen subsidy reduction in domestic fuel prices on 3 September 2013. Inflation is, however expected to be mitigated by moderating energy and global food prices.

The Malaysian economy is expected to expand further by 5% - 5.5% in 2014 (2013: 4.5% - 5%), supported by favourable domestic demand and an improving external environment.

(Source: Economic Report 2013/2014, Ministry of Finance, Malaysia)

9.2 Overview of the communication subsector in Malaysia

During the first half of 2013, the communication subsector increased 9.4% (January – June 2012: 9.5%) driven by expansion in the cellular segment on increased use of data services. As at end-2013, cellular phone subscriptions grew 9.1% to 42.6 million to reach a penetration rate of 143.4% (end-June 2012: 10.7%; 39 million; 135.3%), with the prepaid segment dominating 83% of total subscriptions. Growth was spurred by increased take-up of affordable smartphones amid intense competition by service providers. In addition, under the 2013 Budget, the Government provided a one-off rebate of RM200 for purchase of third-generation (3G) smartphones to 1.5 million youths aged between 21 to 30 earning a monthly income of RM3,000 and below. As of August 2013, about 1.3 million youths have claimed the rebate.

Additionally, higher use of data services was reflected by increased 3G subscriptions which grew 36.2% to 16.4 million (end-June 2012: 23.2%; 12 million), supported by affordable pricing and offerings of attractive mobile Internet packages. Communication modes have increasingly shifted from traditional voice services to Internet application services, such as Skype and Tango, while short-message services (SMS) have moved to mobile instant messaging services such as WhatsApp and WeChat. In addition, the launching of fourth-generation (4G) Long-Term Evolution (LTE) service and availability of diverse and competitive data packages will further intensify competition in the telecommunications industry.

The broadband segment continued to expand 6.9% to 6.2 million subscriptions with a penetration rate of 66.8% as at end-June 2013 (end-June 2012: .2%; 5.8 million; 63.7%). This was largely due to offerings of bundled services with attractive pricing plans and improved network coverage. Meanwhile, as at end-June 2013, the rollout of hotspot services has expanded to 34,372 locations nationwide (end-June 2012: 26,698) with Peninsular Malaysia accounting for 92% of total hotspot locations. Growth in the segment is anticipated to remain buoyant supported by the Government's various measures to intensify broadband penetration across the country. These include the 1Malaysia Affordable Broadband Package initiative focusing on rural communities with low-broadband penetration rates. In addition, as at end-August 2013, the high-speed broadband (HSBB) project has linked 2.5 million premises with Unifi service, recording a total of 595,543 subscriptions (end-August 2012: 423,124; 357,451; 65,673). The HSBB project has also connected 640 government offices, 81 public and private universities, and 27 Internet centres in urban and suburban areas.

The subsector is expected to grow 9.4% in 2013 (2012: 9.2%) supported by higher use of cellular and broadband services. In 2014, the communication subsector is projected to increase 9.6% (2013: 9.4%) driven by strong demand for cellular and broadband services, amid intense competition and continuous upgrading efforts by the telecommunication industry players.

(Source: Economic Report 2013/2014, Ministry of Finance, Malaysia)

9.3 Overview of the property market in Malaysia

The Malaysian property market softened in the first half of 2013. A total of 185,709 transactions worth RM67.06 billion were recorded. Compared to H1 and H2 2012, the volume of transaction decreased by 14.4% and 11.8% respectively. (H1 2012: 217,067 transactions; H2 2012: 210,453 transactions). Correspondingly, the value of transactions decreased by 2.8% and 9.2% respectively against H1 2012 (RM69.00 billion) and H2 2012 (RM73.85 billion).

Property market movements were on the downturn compared to the corresponding half year of 2012. In terms of transactions volume, the highest decrease was recorded by commercial sub-sector at 23.6%, followed by agricultural 16.8%, industrial 14.3%, residential 12.6%, and development land 10.8%. Likewise, transactions volume was also lower against the preceding half of 2012 which saw industrial sub-sector led a drop of 23.0%; commercial 19.0%, residential 13.0%, development land 8.3% and agricultural 2.6%.

In terms of value, residential sub-sector contributed the highest to the overall transactions value at 49.1%. Followed suit was commercial sub-sector 20.4%; development land sub-sector 12.0%, agricultural subsector 9.5% and industrial sub-sector 9.0%. Against the corresponding year all sub-sectors recorded a negative downturn except for residential and commercial sub-sector which recorded a marginal increase of 1.0% and 0.4% respectively.

The purpose-built office and shopping complex sub-sectors saw an improved performance. The national average occupancy rate for purpose-built office firmed up to 83.3% from 83.0% in H1 2012 and 82.0% in H2 2012, the take-up space contracted substantially to record 242,051 s.m. against H1 2012 (275,274 s.m.) but increased against H2 2012 (117,408 s.m.). In spite of this, total vacant space available in the country grew slightly to 3.07 million s.m. (H1 2012: 3.06 million s.m.; H2 2012: 3.30 million s.m.). The improved occupancy was on account of lesser new space completed, which led to a smaller growth in total space available for occupation.

(Source: Property Market Report First Half 2013, Valuation and Property Services Department, Ministry of Finance Malaysia)

The Government has undertaken continuous efforts to address the difficulties of the middle-income group in owning affordable houses. In 2013, RM1.9 billion was allocated to assist the construction of 123,000 affordable housing units in strategic locations by Perumahan Rakyat 1Malaysia (PR1MA), Syarikat Perumahan Negara Berhad (SPNB) and the National Housing Department. PR1MA was allocated RM500 million to build 50,000 homes in major locations nationwide, and another RM500 million to build 30,000 homes in collaboration with private housing developers. The houses ranging between RM100,000 and RM400,000 per unit are expected to be completed in three years and will benefit more than 320,000 rakyat. PR1MA houses will be 20% lower than market prices and allocated through an open balloting system.

The residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. The implementation of PR1MA housing project, is expected to accelerate to meet the target of providing 80,000 units of houses for the middle-income group by 2015. Activity in the non-residential subsector is expected to remain stable, albeit at a moderate pace, supported by buoyant business and industrial activities as well as improved consumer sentiment.

(Source: Economic Report 2013/2014, Ministry of Finance, Malaysia)

9.4 Overview of the property market in Selangor

Selangor property market moderated in H1 2013. There were 40,282 transactions recorded worth RM21.92 billion. As compared to H1 2012, both number and value of transactions dropped by 17.1% and 4.0% respectively (H1 2012: 48,619 transactions worth RM22.83 billion). Against H2 2012, the number and value of transactions reduced by 15.9% and 17.0% (H2 2012: 47,894 transactions worth RM26.41 billion). Residential sub-sector remained the most dominant sector, capturing 78.2% of the total transactions, followed by commercial (8.3%), agricultural (6.9%), industrial (3.3%) and development land (3.2%).

In Sepang District, prices of double story terrace in Taman Tasik Puchong, Dengkil registered double digit growth by 11.7% supported by various neighbourhood attractions especially AEON, TESCO and IOI Mall. On contrary, Taman Putera Prima declined by 11.6% with prices transacted from RM500,000 to RM660,000.

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Rentals of residential property remained stable with increases recorded in few locations. Single storey terrace in USJ 11, USJ 20 and USJ 27, Subang Jaya rose sharply by 25.0% with monthly rentals between RM900 and RM1,100 per month supported by various neighbourhood attractions especially The 19 City Mall and Taipan Business Centre. In Hulu Langat Districts, similar units in Bandar Teknologi Kajang and Bandar Bukit Mahkota recorded double digit growths of 13.3% and 10.5% respectively. On similar note, in Taman Kota Warisan, Dengkil also recorded double digit growths for single storey terraces and double storey low-cost terraces by 14.3% and 16.0% due to its locations close to KLIA 2.

(Source: Property Market Report First Half 2013, Valuation and Property Services Department, Ministry of Finance Malaysia)

The residential market in Cyberjaya, remains buoyant with good demand for products such as service apartments and condominiums as well as hybrid products such as SOHO. Based on an analysis of several comparable newly launched developments located less than 5 km from the site of the Planned Development, the take up rates of these new developments are typically between 65% to 100% within one year of launch.

The most recent launch; Verdi Eco Dominiums and SOHO @ Cybersquare, at least 50% were sold out within three (3) months of its launch. All these developments are selling at prices between RM455 and RM800 per sq. ft., compared to the prices of RM550 to RM600 per sq. ft. of the Planned Development which is at the lower end of the price range.

(Source: Master Planning and Feasibility Study, AISB)

9.5 Prospects and outlook of our Group

Our Group is principally engaged in programming services, software development, internet consulting, provision of information technology services, development and distribution of retail mobile application solutions and provision of multiple gateways for technology enabling and content provisioning. Based on the audited financial statements of our Group for the financial year ended 30 April 2013, our Group recorded a PAT of RM6.59 million.

On 8 February 2012, our Company had entered into the Outsourcing Agreement. Pursuant to that, Inovisi guarantees our Company a minimum revenue of USD22.50 million or equivalent to approximately RM67.68 million (based on the exchange rate of USD1.000:RM3.008 as at 8 February 2012) over an initial period of three (3) years commencing 30 November 2012, with an option to extend for a further period of three (3) years based on terms to be mutually agreed upon.

Our Group had in November 2012, successfully launched an IP-based network delivery solution as a key component of its Consumer Content Application/Corporate Mobile Application modules (CCAM/CMAM). With the wide adoption of cloud technology and higher demand of data consumption, our Group is well-positioned to take advantage of opportunities for growth in both the local and international markets such as the Southeast Asian Region, as smartphone penetration rates continue to grow in the region following the increasing consumption of data services.

In view of the above, our Board had decided that our Company should obtain our own in-house data centre facility, from which NCB can also provide its own data hosting services instead of paying for the rental of data centre facilities from external hosting service providers. It is both cost effective and efficient to own the servers and have the servers hosted in-house in Malaysia to provide for the expected increase in regional data traffic. In the future, our Company also intends to provide the data hosting services to potential customers as an additional source of income. Whilst assessing the business plan for an in-house data centre facility, which include the development of our own building to house the in-house data centre facility, our Board realised an opportunity for our Group to venture into the niche property development sector.

At our Company's EGM held on 19 September 2013, our shareholders had, amongst others, approved the Diversification. Our Group's maiden venture into property development will be the Planned Development, which will consist of a niche mixed property development with an in-house data centre as part of the development.

Our Group has divided the Planned Development into three (3) phases as follows:

(i) Phase 1 comprises of a twenty-eight (28)-storey SOHO development of approximately 322 units with approximately nineteen (19) units of podium retail outlets and an eight (8)-storey block, housing five (5) floors of data centre and three (3) floors of approximately seventy (70) units of corporate offices;

(ii) Phase 2 comprises of one (1) block of twenty-eight (28)-storey service apartments of approximately 161 units with approximately nineteen (19) units of podium retail outlets; and

(iii) Phase 3 comprises of a twenty-six (26)-storey corporate office building of approximately 168 units with approximately ninety-one (91) units of podium retail outlets.

Based on current plans, the completion times of the respective phases of the Planned Development are expected to be as follows:

	Estimated completion time from date of commencement
Phase 1	Up to 5 years
Phase 2	Up to 3 years
Phase 3	Up to 3 years
Total	**Up to 11 years**

Our Board may revise the details of the Planned Development, depending on amongst others, the market demand and the prevailing economic environment. Upon the finalisation of our Group's plans for the Planned Development and the successful implementation of the Corporate Exercises, which is anticipated to be by the fourth (4^{th}) quarter of 2013, our Group intends to hire an experienced internal team of up to six (6) personnel with engineering, project management and marketing expertise to manage the property development activities.

Pursuant to a feasibility study dated 15 February 2013 and subsequently updated on 15 May 2013 as conducted by AISB, the estimated GDV of the portions of the Planned Development for sale to third parties and the estimated gross development cost of the entire Planned Development (including the cost of acquiring the Cyberjaya Land but excluding any finance cost), is approximately RM364.19 million and RM294.19 million, respectively. Based on the above, the estimated gross development profit for the whole development is approximately RM70.00 million.

Pursuant to the guaranteed minimum revenue arising from the Outsourcing Agreement and coupled with the Planned Development and the favourable outlook of the property market in Cyberjaya as disclosed in Section 9.4, our Board is cautiously optimistic that the prospects of our Group would be satisfactory in the near future.

(Source: Management of NCB)

10. WORKING CAPITAL, BORROWINGS, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

10.1 Working capital

Our Board is of the opinion that after taking into account our Group's cash in hand, banking facilities available, the proceeds to be raised from the Rights Issue, our Group will have sufficient working capital for a period of twelve (12) months from the date of issue of this AP.

10.2 Borrowings

As at the LPD, our Group's total borrowings are as follows:

	RM'000	By currency		Total
		IDR'000[(2)]	RM'000	RM'000
Short-term borrowings:				
Fixed rate interest-bearing borrowings[(1)]	127	33,456	9	136
Floating rate interest-bearing borrowings[(1)]	1,465	-	-	1,465
	1,592	33,456	9	1,601
Long-term borrowings:				
Fixed rate interest-bearing borrowings[(1)]	328	2,764	1	329
Floating rate interest-bearing borrowings[(1)]	15,436	-	-	15,436
	15,764	2,764	1	15,765
Total	**17,356**	**36,220**	**10**	17,366

Notes:

(1) Interest rates ranging from 4.60 % to 10.20 % per annum.

(2) The IDR is translated to RM on the closing rate as of the LPD at IDR100:RM0.02658.

As at the LPD, all outstanding borrowings are interest-bearing.

There has been no default on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) FYE and the subsequent financial period thereof, immediately preceding the LPD.

10.3 Material commitments and contingent liabilities

As at the LPD, our Board is not aware of any material commitments for capital expenditure contracted or known to be contracted by our Group which may have a substantial impact on the results or financial position of our Group.

Save as disclosed below, as at the LPD, there are no contingent liabilities which, upon becoming enforceable, may have a material impact on the results or the financial position of the NCB Group:

	RM'000	Purpose
Corporate guarantees granted to our subsidiaries are as follows:		
Nextnation Datacity Sdn Bhd	13,868	Term loan for the Cyberjaya Land
Nextnation Network Sdn Bhd	3,023	Term loan for the office lots in Phileo Damansara and the office lots in NZX Commercial Centre
	16,891	

11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

As you are an Entitled Shareholder on the Entitlement Date for the Rights Issue, your CDS account(s) will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for under the terms and conditions of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such number of Provisional Rights Shares with Warrants into your CDS account(s) and the RSF to enable you to subscribe for such Rights Shares with Warrants that you have been provisionally allotted, as well as apply for the Excess Rights Shares with Warrants if you wish to do so.

The Provisional Rights Shares with Warrants are renounceable in full or in part and as such, you may fully or partially renounce your rights entitlements to the Rights Shares with Warrants.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR PART OF YOUR RIGHTS ENTITLEMENTS ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED WITH THIS AP.

The Provisional Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS accounts when making applications.

11.1 Methods of application

You may subscribe for such number of Rights Shares that you have been provisionally allotted as well as apply for Excess Rights Shares, if you so choose, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF[(1)]	All Entitled Shareholders
Electronic Application[(2)] or Internet Application[(3)]	All Entitled Shareholders
NRS	Authorised Nominee who has subscribed for NRS

Notes:

(1) A copy of the RSF will be enclosed together with this AP. The RSF is also available on the website of Bursa Securities (http://www.bursamalaysia.com).

(2) The following surcharge per Electronic Application will be charged by the Participating Financial Institution:

- *Public Bank Berhad – RM4.00*

(3) The following processing fee per Internet Application will be charged by the Internet Participating Financial Institution:

- *Public Bank Berhad (www.pbebank.com) – RM4.00*

11.2 Procedures for acceptance and payment

11.2.1 By way of RSF

Acceptance of and payment for the Provisional Rights Shares with Warrants must be made on the RSF issued with this AP and completed in accordance with the notes and instructions printed in the RSF. At the absolute discretion of our Board, we may not accept acceptances which do not strictly conform to the terms of this AP or the RSF or the notes and instructions printed in these documents.

If you wish to accept all or part of the Provisional Rights Shares with Warrants, please complete Part I (A) and Part II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST or DELIVERED BY HAND (at your own risk) to our Share Registrar for the Corporate Exercises at the following address:

Tricor Investor Services Sdn Bhd (118401-V)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: +603 – 2264 3883
Fax:+603 – 2282 1886

and should reach our Share Registrar not later than 5.00 p.m. on Wednesday, 8 January 2014, being the last date and time for acceptance and payment for the Rights Issue, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any reason require another copy of the RSF, you and/or your renouncee(s)/transferee(s) (if applicable) may obtain additional copies from your stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (http://www.bursamalaysia.com).

You can use one (1) RSF for the acceptance of the Provisional Rights Shares with Warrants standing to the credit of one (1) CDS account. Separate RSF must be used for the acceptance of the Provisional Rights Shares with Warrants standing to the credit of more than one (1) CDS account. The Rights Shares with Warrants that you have subscribed will be credited into the respective CDS accounts where the Provisional Rights Shares with Warrants are standing to the credit.

A reply envelope is enclosed with this AP. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

Any fractional entitlement under the Rights Issue shall be disregarded and the aggregate of such fractions, if any, shall be dealt with in such manner or on such terms as our Board may at its absolute discretion deem fit and expedient and in the best interest of our Company.

The free Warrants will be detached from the Rights Shares immediately upon issuance and traded separately on Bursa Securities.

Each completed RSF must be accompanied by remittance in RM for the full amount payable in the form of banker's draft(s) or cashier's order(s) or money order(s) or postal order(s) drawn on a bank or post office in Malaysia and should be made payable to "**NCB RIGHTS SHARES ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side(s) with your name and your CDS account number. The payment must be made in the exact amount. Any application accompanied by excess or insufficient payment or payment in the manner other than stated in this AP may be rejected at the absolute discretion of our Board. Cheques or any other modes of payment herein not acceptable. Details of remittance must be filled in the appropriate boxes provided in the RSF.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR SUBSCRIPTION MONIES IN RESPECT OF THE RIGHTS ISSUE. NOTICES OF ALLOTMENT WILL BE DESPATCHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR OR OUR COMPANY.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE SUBSCRIPTION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK.

If the acceptance and payment for the Provisional Rights Shares with Warrants are not received by our Share Registrar by 5.00 p.m. on Wednesday, 8 January 2014 or such later date and time as may be determined and announced by our Board, your and/or your renouncee(s)'/transferee(s)' (if applicable) provisional entitlement under the Rights Issue will be deemed to have been declined and will be cancelled.

Such Provisional Rights Shares with Warrants not taken up will be allotted to applicants for the Excess Rights Shares with Warrants in the manner as set out in Section 11.5 of this AP.

11.2.2 By way of Electronic Application

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Shares with Warrants by way of Electronic Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs of the Participating Financial Institutions before making an Electronic Application.

(i) Steps for Electronic Applications through a Participating Financial Institution's ATM

The procedures for Electronic Applications at the ATMs of the Participating Financial Institutions are set out on the ATM screens of the relevant Participating Financial Institutions ("**Steps**"). For illustration purposes, the procedures for Electronic Applications at ATMs are set out below. The Steps set out the actions that you must take at the ATM to complete an Electronic Application. Please read carefully the terms of this AP, the steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account. An ATM card issued by one of the Participating Financial Institutions cannot be used to apply for the Rights Shares with Warrants at an ATM belonging to other Participating Financial Institutions;

(b) You are advised to read and understand this AP **BEFORE** making the application; and

(c) You shall apply for the Rights Shares with Warrants via the ATM of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in "**Terms and conditions for Electronic Applications**" (please refer to Section 11.2.2(iii) below). You shall enter at least the following information through the ATM when the instructions on the ATM screen requires you to do so:

- Personal Identification Number ("**PIN**");
- NCB Rights Shares Account;
- CDS account number;

- Number of Rights Shares applied for and/or the RM amount to be debited from the account;
- Current contact number (for e.g. your mobile phone number); and
- Confirmation of several mandatory statements.

Upon the completion of your Electronic Application transaction, you will receive a computer-generated transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or the Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

(ii) Participating Financial Institutions

Electronic Applications may be made through an ATM of the following Participating Financial Institution and its branches within Malaysia:

- Public Bank Berhad

(iii) Terms and conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

(a) You are required to confirm the following statements (by pressing pre-designated keys or buttons on the ATM keyboard) and undertake that the following information given are true and correct:

(i) You have attained eighteen (18) years of age as at the last day for application and payment;

(ii) You have read the relevant AP and understood and agreed with the terms and conditions of the application; and

(iii) You hereby give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institution and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134 of the FSA and Section 45(1)(a) of the SICDA, to the disclosures as described above.

(b) You confirm that you are not applying for the Rights Shares with Warrants as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.

(c) You must have sufficient funds in your account with the relevant Participating Financial Institution at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the screen of the ATM through which the Electronic Application is being made, will be rejected.

(d) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Warrants applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

(e) By making and completing your Electronic Application, you, if successful, requests and authorises our Company to credit the Rights Shares with Warrants allotted to you into your CDS account.

(f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or

(ii) data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institution or Bursa Depository for the Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants.

(g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institution at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institution are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(i) By making and completing an Electronic Application, you agree that:

(i) in consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs, your Electronic Application is irrevocable and cannot be subsequently withdrawn;

(ii) our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Warrants for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Warrants; and

(iv) in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submits to the jurisdiction of the Courts of Malaysia.

(j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(k) Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Warrants.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 11.2.2 (iii) of this AP and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

11.2.3 By way of Internet Application

All Entitled Shareholders may apply for the Rights Shares with Warrants by way of Internet Application.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for Internet Application and the procedures set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Application.

(i) **Step 1: Set up of account**

Before making an application by way of Internet Application, you **must have all** of the following:

(a) an existing account with access to internet financial services with **Public Bank Berhad** at http://www.pbebank.com. Accordingly, you will need to have your user identification and PIN/password for the internet financial services facility; and

(b) a CDS account held in your name.

(ii) **Step 2: Read the AP**

You are advised to read and understand this AP **BEFORE** making your application.

(iii) **Step 3: Apply through the Internet**

While we will attempt to provide you with assistance in your application for the Rights Shares with Warrants through Internet Applications, please note that the actual steps for Internet Applications through the internet financial services website of a particular Internet Participating Financial Institution may differ from the steps outlined below. The possible steps set out below are purely for illustration purposes only.

(a) Connect to the internet financial services website of the Internet Participating Financial Institution with which you have a bank account;

(b) Log in to the internet financial services facility by entering your user identification and PIN/password;

(c) Navigate to the section of the website on applications in respect of the Rights Shares with Warrants;

(d) Select the counter in respect of the Rights Shares with Warrants to launch the terms and conditions of the Internet Application;

(e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions;

(f) At the next screen, complete the online application form;

(g) Check that the information contained in your online application form, such as the share counter (in this case, "**NCB Rights Shares Account**"), your NRIC number, your current contact number (for e.g. your mobile phone number), your CDS account number, number of Rights Shares with Warrants applied for and the account number to debit are correct. Then select the designated hyperlink on the screen to confirm and submit the online application form.

(h) As soon as the transaction is completed, a message from the Authorised Financial Institution (as defined below) pertaining to the payment status will appear on the screen of the website through which the online payment for the Rights Shares with Warrants is being made. Subsequently, the Internet Participating Financial Institution shall confirm that the Internet Application has been completed, via the Confirmation Screen on its website; and

(i) You are advised to print out the Confirmation Screen for your reference and record.

(iv) **Terms and conditions of Internet Applications**

The Internet Application shall be made on, and subject to, the terms of this AP, as well as the terms and conditions of the Internet Participating Financial Institutions and those appearing herein:

(a) After selecting the designated hyperlink on the screen, you are required to confirm and undertake that the following information given are true and correct:

(i) You have attained 18 years of age as at the last day for application and payment;

(ii) You have, prior to making the Internet Application, received and/or have had access to a printed/electronic copy of this AP, the contents of which you have read and understood;

(iii) You agree to all the terms and conditions of the Internet Application as set out in this AP and have carefully considered the risk factors set out in this AP, in addition to all other information contained in this AP, before making the Internet Application;

(iv) You authorise the financial institution with which you have a bank account to deduct the full amount payable for the Rights Shares with Warrants, (including the processing fee as mentioned in Section 11.1 *(Note 3)* of this AP) from your bank account with the said financial institution ("**Authorised Financial Institution**"); and

(v) You hereby give consent in accordance with the relevant laws of Malaysia (including Section 134 of the FSA and Section 45(1)(a) of the SICDA) for the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant Internet Participating Financial Institution, their respective agents and any third party involved in facilitating the application/refund, of information pertaining to yourself, the Internet Application made by you, your account with the Internet Participating Financial Institution and/or the Authorised Financial Institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the application/refund.

(b) You confirm that you are not applying for the Rights Shares with Warrants as a nominee of any other person and that the Internet Application is made in your own name, as beneficial owner and subject to the risks referred to in this AP.

(c) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Warrants applied for as stated on the Confirmation Screen in respect of your Internet Application. Your confirmation of the number of Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants that may be allotted to you.

Should you encounter any problems in your Internet Application, please refer to the Internet Participating Financial Institutions.

(d) By making and completing your Internet Application, you, if successful, requests and authorises our Company to credit the Rights Shares with Warrants allotted to you into your CDS account.

(e) You acknowledge that your Internet Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository and irrevocably agrees that if:

(i) Our Company, our Share Registrar or Bursa Depository does not receive your Internet Application; or

(ii) Data relating to your Internet Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Internet Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Internet Participating Financial Institution or Bursa Depository for the Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants.

(f) All of your particulars, including your nationality and place of residence, in the records of the relevant Internet Participating Financial Institution at the time you make your Internet Application shall be true and correct, and our Company, our Share Registrar, the relevant Internet Participating Financial Institution and Bursa Depository shall be entitled to rely on the accuracy thereof.

(g) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.

(h) By making and completing an Internet Application, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants via the Internet Application facility established by the Internet Participating Financial Institutions at their respective internet financial services website, your Internet Application is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the Internet Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Internet Application due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for prescribed securities issued in respect of the Rights Shares with Warrants for which your Internet Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation with the contract between the parties and/or the Internet Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(i) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(j) Notification on the outcome of your application for the Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(i) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 11.2.3 (iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(k) A surcharge is imposed on each Internet Application which will be charged by the respective Internet Participating Financial Institutions as mentioned in Section 11.1 *(Note 3)* of this AP.

(l) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, Bursa Securities or other relevant parties in connection with the Rights Issue, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with the Rights Issue. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Application services.

11.2.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this AP, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and user guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

(i) **Steps for applications via NRS**

(a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this AP, the RSF nor the NPA by post.

(b) Instead, this AP and a Rights Issue Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's user guide for NRS, on the next business day after the Entitlement Date.

(c) A notification of the delivery of this AP and the Rights Issue Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.

(d) You are advised to read carefully, understand and follow the terms of this AP, **BEFORE** making the application.

(e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.

(f) To apply for the Rights Shares with Warrants, you will be required to submit your subscription information via a Rights Shares Subscription File which is to be prepared based on the format as set out in Bursa Depository's user guide for NRS.

(g) Once completed, you will need to submit the Rights Share Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.

(h) Together with the Rights Shares Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:

(i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this AP, the contents of which you have read, understood and agreed; and

(ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.

(i) With regards to payment for the Rights Shares with Warrants which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:

Bank	: **MALAYAN BANKING BERHAD**
Account Name	: **NCB RIGHTS SHARES ACCOUNT**
Bank Account No.	: **5140-1202-7892**

prior to submitting the Rights Shares Subscription File to Bursa Depository.

(j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Record**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Record is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Record is for your record and is not required to be submitted with your application via NRS.

(k) You will be notified on the outcome of your application for the Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

(i) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Rights Shares with Warrants; or

(ii) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Rights Shares with Warrants.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 11.2.4(ii) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

(l) Upon crediting of the Rights Shares with Warrants allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.

(m) You should note that all applications made for the Rights Shares with Warrants submitted under NRS will be irrevocable upon submission of the Rights Shares Subscription File to Bursa Depository and cannot be subsequently withdrawn.

(ii) **Terms and Conditions for applications via NRS**

The application via NRS shall be made on, and subject to, the terms of this AP, Bursa Depository's terms and conditions for NRS and Bursa Depository's user guide for NRS as well as the terms and conditions appearing herein:

(a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134 of the FSA and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.

(b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Shares with Warrants applied for as stated on your Rights Shares Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Shares with Warrants that may be allotted to you.

(c) You acknowledge that by completing and submitting the Rights Shares Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Shares with Warrants allotted to you into the respective CDS account(s) as indicated in the Rights Shares Subscription File.

(d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if

(i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or

(ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Shares with Warrants applied for or for any compensation, loss or damage relating to the application for the Rights Shares with Warrants.

(e) By completing and submitting the Rights Shares Subscription File to Bursa Depository, you agree that:

(i) In consideration of our Company agreeing to allow and accept your application for the Rights Shares with Warrants via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;

(ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

(iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Shares with Warrants issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Shares with Warrants; and

(iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

(f) Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

11.3 Procedures for part acceptance

You can accept part of your entitlement for the Rights Issue. Should you wish to secure one (1) free Warrant from your subscription of your entitlement, the minimum number of Rights Shares with Warrants that can be accepted is two (2) Rights Shares with one (1) free Warrant.

11.3.1 By way of RSF

You must complete both Part I (A) of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 11.2.1 of this AP.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS AP AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS AP AND THE RSF.

11.3.2 By way of Electronic Application

If you are an individual who is an Entitled Shareholder and wish to accept part of your Provisional Rights Shares with Warrants via Electronic Application, you may do so by following the same steps as set out in Section 11.2.2 of this AP.

11.3.3 By way of Internet Application

If you are an Entitled Shareholder and wish to accept part of your Provisional Rights Shares with Warrants via Internet Application, you may do so by following the same steps as set out in Section 11.2.3 of this AP.

11.3.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and wish to accept part of your Provisional Rights Shares with Warrants, you may do so by following the same steps as set out in Section 11.2.4 of this AP.

The portion of the Provisional Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Rights Shares with Warrants.

11.4 Procedures for sale/transfer of the Provisional Rights Shares with Warrants

The Provisional Rights Shares with Warrants are renounceable. If you wish to sell or transfer all or part of your Provisional Rights Shares with Warrants to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS account(s). To sell or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement in the open market or transfer such provisional allotments to such person(s) as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver the RSF or any document to the stockbroker. **You are however advised to read and adhere to the RSF and the notes and instructions contained in the RSF as well as ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS account(s) before selling or transferring.**

Renouncee(s)/transferee(s) of the Provisional Rights Shares with Warrants may obtain a copy of this AP and the RSF from their stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (http://www.bursamalaysia.com).

If you have sold or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by using the procedures described in Section 11.2 of this AP.

If you sell or transfer your Provisional Rights Shares with Warrants, you will automatically be selling or transferring your entitlements to both your Rights Shares and the Warrants. You cannot retain the Warrants provisionally allotted to you while selling or transferring the Rights Shares provisionally allotted to you, nor vice-versa.

11.5 Procedures for Excess Rights Shares with Warrants

11.5.1 By way of RSF

If you wish to apply for Excess Rights Shares with Warrants in excess of your entitlement, you should complete Part I (B) – application for Excess Rights Shares with Warrants of the RSF (in addition to Part I (A) and Part II) and forward it together with a **separate remittance** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for, to our Share Registrar not later than 5.00 p.m. on Wednesday, 8 January 2014, being the last date and time for acceptance and payment or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment for the Excess Rights Shares with Warrants should be made in the same manner as described in Section 11.2.1 of this AP, with remittance in the form of banker's draft(s) or cashier's order(s) or money order(s) or postal order(s) drawn on a bank or post office in Malaysia and crossed "**ACCOUNT PAYEE ONLY**" and made payable to "**NCB EXCESS RIGHTS SHARES ACCOUNT**" for the Excess Rights Shares with Warrants and endorsed on the reverse side(s) with your name and your CDS account number.

Our Board reserves the right to allot the Excess Rights Shares with Warrants, if any, applied for under Part I (B) of the RSF on a fair and equitable basis as they deem fit and expedient in the best interest of our Company. Our Board reserves the right to accept any Excess Rights Shares with Warrants application in part only, without assigning any reason thereto. The basis of allotment of the Excess Rights Shares with Warrants are as follows:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, after the occurrence of (i) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, after the occurrence of (i) and (ii) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) lastly, after the occurrence of (i), (ii) and (iii) above, for allocation to the renouncee(s)/transferee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

In the event of an under subscription by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), even after all Excess Rights Shares with Warrants applications have been taken into consideration, the remaining unsubscribed Rights Shares with Warrants will be subscribed by certain shareholders as set out in Section 4 of this AP.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for in such manner as it deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 11.5.1 (i) to (iv) above are achieved. Our Board also reserves the right not to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

NO ACKNOWLEDGEMENT WILL BE ISSUED FOR RECEIPT OF THE RSF OR SUBSCRIPTION MONIES IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. NOTICES OF ALLOTMENT WILL BE DESPATCHED TO THE SUCCESSFUL APPLICANTS BY ORDINARY POST AT THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS, OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS. IF YOU HAVE PROVIDED YOUR BANK ACCOUNT INFORMATION TO BURSA DEPOSITORY FOR PURPOSES OF CASH DIVIDEND/ DISTRIBUTION, THE REFUND WILL BE CREDITED INTO THE BANK ACCOUNT. IF THE CREDITING OF THE REFUND IS UNSUCCESSFUL, THE REFUND WILL THEN BE MADE VIA CHEQUE AND DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF BURSA DEPOSITORY AT YOUR OWN RISK.

11.5.2 By way of Electronic Application

If you are a Malaysian individual who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares with Warrants via Electronic Application in excess of your entitlement, you may do so by following the same steps as set out in Section 11.2.2 of this AP save and except that you shall proceed with the option for Excess Rights Shares application and the amount payable to be directed to "**NCB EXCESS RIGHTS SHARES ACCOUNT**" for the Excess Rights Shares with Warrants applied.

The minimum number of Excess Rights Shares that can be applied for is two (2) Excess Rights Shares. However, you should take note that a trading board lot comprises of one hundred (100) NCB Shares.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, after the occurrence of (i) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, after the occurrence of (i) and (ii) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) lastly, after the occurrence of (i), (ii) and (iii) above, for allocation to the renouncee(s)/transferee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

In the event of an under subscription by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), even after all Excess Rights Shares with Warrants applications have been taken into consideration, the remaining unsubscribed Rights Shares with Warrants will be subscribed by certain shareholders as set out in Section 4 of this AP.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 11.5.2 (i) to (iv) above are achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Electronic Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 11.2.2 of this AP, as well as the terms and conditions as stated below:

(i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Transaction Record or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your Electronic Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the pre-designated keys (or buttons) on the ATM) of the number of Excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

    (a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

    (b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

    The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in Section 11.2.2 (iii) of this AP and the required consent in making your Electronic Application.

    If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

11.5.3 By way of Internet Application

If you are an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares with Warrants via Internet Application in excess of your entitlement, you may do so by following the same steps as set out in Section 11.2.3 of this AP save and except that you shall proceed with the option for Excess Rights Shares with Warrants Application and the amount payable to be directed to "**NCB EXCESS RIGHTS SHARES ACCOUNT**" for the Excess Rights Shares with Warrants applied.

The minimum number of Excess Rights Shares with Warrants that can be applied for is two (2) Excess Rights Shares. However, you should take note that a trading board lot comprises of one hundred (100) NCB Shares.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, after the occurrence of (i) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, after the occurrence of (i) and (ii) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) lastly, after the occurrence of (i), (ii) and (iii) above, for allocation to the renouncee(s)/transferee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

In the event of an under subscription by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), even after all Excess Rights Shares with Warrants applications have been taken into consideration, the remaining unsubscribed Rights Shares with Warrants will be subscribed by certain shareholders as set out in Section 4 of this AP.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 11.5.3 (i) to (iv) above are achieved. Our Board also reserves the right not to accept any Excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

The Internet Application for Excess Rights Shares with Warrants shall be made on, and subject to, the same terms and conditions appearing in Section 11.2.3 (iv) of this AP, as well as the terms and conditions as stated below:

(i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Confirmation Screen or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your Internet Application. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your Internet Application is successful, your confirmation (by your action of clicking the designated hyperlink on the relevant screen of the website) of the number of Excess Rights Shares with Warrants applied for shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) Notification on the outcome of your application for the Excess Rights Shares with Warrants will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:

(a) successful application – a notice of allotment will be despatched within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made. Kindly take note of the terms and conditions as stated in Section 11.2.3 (iv) of this AP and the required consent in making your Internet Application.

If the crediting of the refund into your bank account with the Authorised Financial Institution from which payment of your subscription monies was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

11.5.4 By way of NRS

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository who is an Entitled Shareholder and/or a renouncee and/or a transferee and/or if you have purchased any Provisional Rights Shares with Warrants, and wish to apply for additional Rights Shares with Warrants via NRS in excess of your entitlement, you may do so by following the same steps as set out in Section 11.2.4 of this AP save and except for the amount payable to be directed to "**NCB EXCESS RIGHTS SHARES ACCOUNT**" (Bank Account No. **5140-1202-7885** with Malayan Banking Berhad) for the Excess Rights Shares with Warrants applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Shares Subscription File.

The minimum number of Excess Rights Shares with Warrants that can be applied for is two (2) Excess Rights Shares. However, you should take note that a trading board lot comprises of one hundred (100) NCB Shares.

It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, after the occurrence of (i) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement Date;

(iii) thirdly, after the occurrence of (i) and (ii) above, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application; and

(iv) lastly, after the occurrence of (i), (ii) and (iii) above, for allocation to the renouncee(s)/transferee(s) who have applied for the Excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants application.

In the event of an under subscription by our Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), even after all Excess Rights Shares with Warrants applications have been taken into consideration, the remaining unsubscribed Rights Shares with Warrants will be subscribed by certain shareholders as set out in Section 4 of this AP.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for in such manner as it deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 11.5.4 (i) to (iv) above are achieved. Our Board also reserves the right not to accept any Excess Rights Shares application, in full or in part, without assigning any reason.

The application for Excess Rights Shares with Warrants via NRS shall be made on, and subject to, the same terms and conditions appearing in Section 11.2.4 of this AP, Bursa Depository's terms and conditions for NRS and user guide for NRS (which are made available to all Authorised Nominees who wish to register for NRS), as well as the terms and conditions as stated below:

(i) You agree and undertake to subscribe for or purchase and to accept the number of Excess Rights Shares with Warrants applied for as stated on the Rights Shares Subscription File or any lesser number of Excess Rights Shares with Warrants that may be allotted to you in respect of your application via NRS. In the event that our Company decides to allot any lesser number of such Excess Rights Shares with Warrants or not to allot any Excess Rights Shares with Warrants to you, you agree to accept any such decision as final. If your application via NRS is successful, your submission of the Rights Shares Subscription File to Bursa Depository shall signify, and shall be treated as, your acceptance of the number of Excess Rights Shares with Warrants that may be allotted to you.

(ii) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

(iii) You will be notified on the outcome of your application for the Excess Rights Shares with Warrants electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.

(a) successful application – an electronic notification will be sent to you within eight (8) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants; or

(b) unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within fifteen (15) Market Days from the last day for application and payment for the Excess Rights Shares with Warrants.

The refund will be credited directly into your bank account(s) (as provided by you in the Rights Shares Subscription File) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in Section 11.2.4 (ii) of this AP and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

11.6 Procedures to be followed by renouncee(s)/transferee(s)

A renouncee/transferee who wishes to apply for the Provisional Rights Shares with Warrants or the Excess Rights Shares with Warrants may obtain a copy of this AP and the RSF from their stockbrokers, our Share Registrar for the Corporate Exercises, our Registered Office or Bursa Securities' website (http://www.bursamalaysia.com).

The procedures and payment for the acceptance of the Provisional Rights Shares with Warrants and the Excess Rights Shares with Warrants by the renouncee(s)/transferee(s) are the same as those applicable to you as described in Sections 11.2 and 11.5, respectively, of this AP.

RENOUNCEES/TRANSFEREES ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

11.7 Form of issuance

Bursa Securities has already prescribed the securities of our Company listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, all dealings in respect of the Rights Shares with Warrants are subject to the SICDA and the Rules of Bursa Depository. You must have a CDS account in order to subscribe for the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS account number may result in the application being rejected.

No physical share and warrant certificates will be issued. The Rights Shares with Warrants will be credited directly into your CDS account(s) and the notice of allotment will be despatched by ordinary post at your address shown in the Record of Depositors of Bursa Depository at your own risk within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares with Warrants.

If you have multiple CDS accounts into which the Provisional Rights Shares with Warrants have been credited, you cannot use a single RSF for subscription of all these Provisional Rights Shares with Warrants. Separate RSF must be used for each separate CDS account. If successful, the Rights Shares with Warrants that you subscribed for will be credited into the CDS accounts where the Provisional Rights Shares with Warrants are standing to the credit.

11.7.1 Subscription of the Rights Shares with Warrants by an Entitled Shareholder

Your subscription for the Rights Shares with Warrants shall mean that you consent to receive such Rights Shares with Warrants as prescribed or deposited securities which will be credited directly into your CDS account. Hence, the Rights Shares with Warrants will be credited directly into your CDS account upon allotment and issue.

11.7.2 Subscription of the Rights Shares with Warrants by renouncee(s)/transferee(s)

If you intend to subscribe for the Rights Shares with Warrants, you must state your CDS account number in the RSF whereupon your Rights Shares with Warrants will be credited directly as prescribed or deposited securities into your CDS account(s) upon allotment and issue.

11.7.3 Application for the Excess Rights Shares with Warrants by an Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable)

If you are successful in applying for the Excess Rights Shares with Warrants, such Rights Shares with Warrants will be credited directly as prescribed securities into your CDS account(s) upon allotment and issue. The allocation of Excess Rights Shares with Warrants will be made on a fair and equitable basis as set out in Section 11.5 of this AP.

11.8 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any foreign jurisdiction, and the Rights Issue will not be made or offered in any foreign jurisdiction. The Documents will not be sent to shareholders without an address in Malaysia.

Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) may accept or renounce (as the case may be) all or part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. Foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), shall be solely responsible to seek advice as to the laws of the jurisdictions to which they are or may be subjected to. PIVB, our Company, our Board and our officers and other experts shall not accept any responsibility or liability in the event that any acceptance and/or renunciation made by any foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), is or shall become illegal, unenforceable, voidable or void in any such jurisdiction.

Further, foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in the foreign jurisdictions and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) for any issue, transfer or any other taxes or other requisite payments as such person may be required to pay. They will have no claims whatsoever against PIVB, our Company, our Board and our officers and other experts in respect of their rights or entitlements under the Rights Issue.

Such foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any foreign jurisdiction. If the Documents are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he or she must not seek to accept the offer unless he or she has complied with and observed the laws of the relevant jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and our Company reserves the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if we believe that such acceptance may violate any applicable legal or regulatory requirements in Malaysia or other jurisdictions.

By signing any of the forms accompanying this AP, the foreign Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) PIVB, our Company, our Board and our officers and other experts that:

(i) we would not, by acting on the acceptance and/or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is or may be subjected to;

(ii) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) has complied with the laws to which the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is or may be subjected to in connection with the acceptance and/or renunciation;

(iii) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is not a nominee or agent of a person in respect of whom we would, by acting on the acceptance and/or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subjected to;

(iv) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) is aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) has received a copy of this AP and has had access to such financial and other information and has been afforded the opportunity to ask such questions to the representatives of our Company and receive answers thereto as the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) deems necessary in connection with the foreign Entitled Shareholder's and/or his renouncee's/transferee's (if applicable) decision to subscribe for or purchase the Rights Shares with Warrants; and

(vi) the foreign Entitled Shareholder and/or his renouncee(s)/transferee(s) (if applicable) has sufficient knowledge and experience in financial business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

12. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants under the Rights Issue is governed by the terms and conditions as set out in the Documents.

13. ADDITIONAL INFORMATION

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

Yours faithfully,
for and on behalf of our Board
NEXTNATION COMMUNICATION BERHAD

Tey Por Yee
Chief Executive Officer/Managing Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM ON 19 SEPTEMBER 2013

CERTIFIED TRUE COPY

MAK CHOOI PENG
SECRETARY
MAICSA 7017931
20 SEP 2013

NEXTNATION COMMUNICATION BERHAD
(Company No. 660055-H)
(Incorporated in Malaysia)

CERTIFIED EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING HELD ON 19 SEPTEMBER 2013 AT BALLROOM 1, TROPICANA GOLF & COUNTRY RESORT, JALAN KELAB TROPICANA, 47410 PETALING JAYA, SELANGOR DARUL EHSAN

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 608,806,200 NEW ORDINARY SHARES OF RM0.10 EACH IN NCB ("NCB SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 304,403,100 FREE DETACHABLE WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY FOUR (4) EXISTING NCB SHARES HELD, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 120,000,000 RIGHTS SHARES TOGETHER WITH 60,000,000 FREE WARRANTS, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE")

Upon the proposal by Cik Nur Suriany binti Abd Rahman *(a shareholder)* and seconded by Mr. Ng Kiat King *(a proxy for Ms. Hoh Yun Yee)*, the Meeting (on a show of hands) unanimously **RESOLVED** that the following Ordinary Resolution 2 be approved:-

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 608,806,200 NEW ORDINARY SHARES OF RM0.10 EACH IN NCB ("NCB SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 304,403,100 FREE DETACHABLE WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES TOGETHER WITH ONE (1) FREE WARRANT FOR EVERY FOUR (4) EXISTING NCB SHARES HELD, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 120,000,000 RIGHTS SHARES TOGETHER WITH 60,000,000 FREE WARRANTS, ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE")

"**THAT,** contingent upon the passing of Ordinary Resolution 1, Ordinary Resolution 3 and the Special Resolution, and subject to the approval of all relevant authorities, including but not limited to the approval-in-principle granted by Bursa Securities for the listing of and quotation for all the Rights Shares and Warrants to be issued hereunder and all the new NCB Shares to be issued arising from the exercise of the Warrants (whether in its original form or with or subject to any condition, modification, variation and/or amendment imposed by Bursa Securities), the approval be and is hereby given to the Directors of the Company:

(a) To allot and issue by way of a renounceable rights issue up to 608,806,200 Rights Shares, together with up to 304,403,100 Warrants at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) Warrant for every four (4) existing NCB shares held by the shareholders of NCB whose names appear in the Record of Depositors of NCB as at the close of business on an entitlement date to be determined by the Board;

(b) To constitute the Warrants upon the terms and conditions of a deed poll to be executed by NCB ("**Deed Poll**"), the principal terms of which are set out in Appendix I of the Circular to the Shareholders of the Company dated 29 August 2013;

(c) To allot and issue such number of additional Warrants pursuant to the adjustments under the Deed Poll and to adjust from time to time the exercise price of the Warrants as a consequence of the adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed/ required/ permitted by Bursa Securities and any other relevant authorities or parties or otherwise; and

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM ON 19 SEPTEMBER 2013 ***(Cont'd)***

NEXTNATION COMMUNICATION BERHAD
(Company No. 660055-H)
(Incorporated in Malaysia)

(Certified Extract of the Minutes of the Extraordinary General Meeting held on 19 September 2013 - cont'd)

(d) To allot and issue such number of new NCB Shares arising from the exercise of the Warrants during the tenure of the Warrants;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall be made available for excess applications in such manner as the Directors of the Company shall determine at its absolute discretion;

THAT the Directors of the Company be and are hereby empowered and authorised to deal with any fractional entitlements that may arise from the Proposed Rights Issue in such manner and on such terms and conditions as the Directors of the Company in their absolute discretion as they may deem fit or think expedient or in the best interest of the Company;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in Section 2.2.6 of the Circular to Shareholders of the Company dated 29 August 2013, and the Directors of the Company be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors of the Company may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares and the new NCB Shares to be issued pursuant to the exercise of the Warrants shall upon allotment and issue, rank *pari passu* in all respects with the then existing issued and fully paid-up shares in the capital of the Company, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the Rights Shares and the new NCB Shares to be issued arising from the exercise of the Warrants respectively;

THAT the Rights Shares and Warrants and new NCB Shares to be issued pursuant to the exercise of the Warrants shall be listed on Bursa Securities;

THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll upon the terms set out in the Circular to the Shareholders of the Company dated 29 August 2013 with full powers to assent to any conditions, variations, modifications and/or amendments as may be imposed or permitted by the relevant authorities or as may be deemed necessary by the Directors of the Company, and, subject to all provisions and adjustments contained in the Deed Poll, to assent to any modification and/or amendment to the exercise price, exercise period and/or number of Warrants as may be required or permitted to be revised as a consequence of any adjustments under the provisions of the Deed Poll, with full powers to implement and give effects to the terms and conditions of the Deed Poll, and to take all steps as they may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll;

THAT the Directors of the Company be and are hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Rights Issue with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by any relevant authorities or deemed necessary by the Directors of the Company in the best interest of the Company, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue;

...3/-

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE PASSED AT OUR EGM ON 19 SEPTEMBER 2013 ***(Cont'd)***

NEXTNATION COMMUNICATION BERHAD
(Company No. 660055-H)
(Incorporated in Malaysia)

(Certified Extract of the Minutes of the Extraordinary General Meeting held on 19 September 2013 - cont'd)

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all the Rights Shares, Warrants and new NCB Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been fully allotted and issued in accordance with the terms of the Proposed Rights Issue as well as the additional warrants to be issued pursuant to the adjustments in accordance with the provisions of the Deed Poll."

CERTIFIED TRUE AND CORRECT

TEY POR YEE | **SEE POH YEE**

Dated: 19 September 2013

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INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 20 July 2004 as a public company under our present name of Nextnation Communication Berhad. We were listed on the MESDAQ Market of Bursa Securities (now known as ACE Market of Bursa Securities) on 26 August 2005.

2. PRINCIPAL ACTIVITIES

The principal activity of our Company is investment holding. The principal activities of our subsidiaries and associated company are set out in Section 6 of this Appendix.

3. SHARE CAPITAL

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

Type	No. of Shares	Par value RM	Amount RM
Authorised	5,000,000,000	0.10	500,000,000
Issued and paid-up	846,053,400	0.10	84,605,340

The changes in the issued and paid-up share capital of our Company for the last three (3) years are as follows:

Date issued	No. of NCB Shares allotted	Par value (RM)	Type of issue/consideration	Cumulative issued and paid-up ordinary share capital (RM)
As at 12 March 2012	-	-	-	41,580,000
13 March 2012	41,580,000	0.10	Issued pursuant to a private placement at RM0.115 per NCB Share	45,738,000
17 May 2012	32,016,600	0.10	Issued pursuant to a private placement at RM0.125 per NCB Share	48,939,660
1 June 2012	28,000,000	0.10	Issued pursuant to a private placement at RM0.125 per NCB Share	51,739,660
14 June 2012	24,000,000	0.10	Issued pursuant to a private placement at RM0.125 per NCB Share	54,139,660
26 June 2012	29,500,000	0.10	Issued pursuant to a private placement at RM0.115 per NCB Share	57,089,660
18 July 2012	23,697,400	0.10	Issued pursuant to a private placement at RM0.120 per NCB Share	59,459,400
2 April 2013	59,459,400	0.10	Issued pursuant to a private placement at RM0.10 per NCB Share	65,405,340
23 July 2013	192,000,000	0.10	Issued pursuant to a private placement at RM0.30 per NCB Share	84,605,340

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of the Substantial Shareholders of our Company as at the LPD and the proforma effects of the Corporate Exercises are set out below.

Minimum Scenario

	As at the LPD				(I) After the Rights Issue				(II) After (I) and the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of NCB Shares	%	No. of NCB Shares	%	No. of NCB Shares	%[(a)]	No. of NCB Shares	%[(a)]	No. of NCB Shares	%[(b)]	No. of NCB Shares	%[(b)]
STSB	79,880,000	9.44	-	-	119,820,000	12.40	-	-	139,790,000	13.62	-	-
TPY	52,666,800	6.22	79,880,000*	9.44	132,726,800	13.74	119,820,000*	12.40	172,756,800	16.84	139,790,000*	13.62
See Poh Yee	5,930,000	0.70	79,880,000*	9.44	5,930,000	0.61	119,820,000*	12.40	5,930,000	0.58	139,790,000*	13.62
Tey Por Chen	8,653,500	1.02	79,880,000*	9.44	8,653,500	0.90	119,820,000*	12.40	8,653,500	0.84	139,790,000*	13.62
BLSB	192,000,000	22.69	-	-	192,000,000	19.87	-	-	192,000,000	18.71	-	-

Notes:

* *Deemed interested by virtue of their shareholdings in STSB.*

(a) Based on the enlarged issued and paid-up share capital of NCB of 966,053,400 NCB Shares after the Rights Issue.

(b) Based on the enlarged issued and paid-up share capital of NCB of 1,026,053,400 NCB Shares assuming the full exercise of the Warrants.

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Maximum Scenario

	As at the LPD				(I) After the full exercise of the Existing Warrants			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of NCB Shares	%	No. of NCB Shares	%	No. of NCB Shares	%[(a)]	No. of NCB Shares	%[(a)]
STSB	79,880,000	9.44	-	-	87,168,003	7.16	-	-
TPY	52,666,800	6.22	79,880,000*	9.44	53,704,615	4.41	87,168,003*	7.16
See Poh Yee	5,930,000	0.70	79,880,000*	9.44	6,523,000	0.54	87,168,003*	7.16
Tey Por Chen	8,653,500	1.02	79,880,000*	9.44	9,518,850	0.78	87,168,003*	7.16
BLSB	192,000,000	22.69	-	-	311,500,000	25.58	-	-

	(II) After (I) and the Proposed Rights Issue				(III) After (II) and the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
Substantial shareholders	No. of NCB Shares	%	No. of NCB Shares	%	No. of NCB Shares	%[(a)]	No. of NCB Shares	%[(a)]
STSB	130,752,005	7.16	-	-	152,544,005	7.16	-	-
TPY	80,556,923	4.41	130,752,005*	7.16	93,983,076	4.41	152,544,005*	7.16
See Poh Yee	9,784,500	0.54	130,752,005*	7.16	11,415,250	0.54	152,544,005*	7.16
Tey Por Chen	14,278,275	0.78	130,752,005*	7.16	16,657,988	0.78	152,544,005*	7.16
BLSB	467,250,000	25.58	-	-	545,125,000	25.58	-	-

Notes:

* *Deemed interested by virtue of their shareholdings in STSB.*

(a) *Based on the enlarged issued and paid-up share capital of NCB of 1,217,612,400 NCB Shares assuming the full exercise of the Existing Warrants.*

(b) *Based on the enlarged issued and paid-up share capital of NCB of 1,826,418,600 NCB Shares after the Rights Issue.*

(c) *Based on the enlarged issued and paid-up share capital of NCB of 2,130,821,700 NCB Shares assuming the full exercise of the Warrants.*

5. PARTICULARS OF DIRECTORS

5.1 Details of Directors

The particulars of our Directors as at the LPD are as follows:

Name of Director	Age	Profession	Designation	Nationality	Address
Tey Por Yee	37	Company Director	Chief Executive Officer/Managing Director	Malaysian	Blok S1-10-22, P/Puri Sutramas Persiaran Puchong Jaya Selatan Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan
See Poh Yee	37	Company Director	Executive Director	Malaysian	284-08-05, Blok B Heritage Condominium Jalan Pahang 53000 Kuala Lumpur Wilayah Persekutuan
Yap Siok Teng	53	Company Director	Independent Non-Executive Director	Malaysian	No. 18, Jalan 33/70A Desa Sri Hartamas 50480 Kuala Lumpur Wilayah Persekutuan
Fu Lit Fung	44	Company Director	Independent Non-Executive Director	Malaysian	16, Jalan Damai Jasa 8 Taman Alam Damai Cheras 56000 Kuala Lumpur Wilayah Persekutuan
Leou Thiam Lai	57	Company Director	Independent Non-Executive Director	Malaysian	149, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan
Ungku A. Razak Bin Ungku A. Rahman	58	Company Director	Independent Non-Executive Director	Malaysian	No. 1, Jalan Setiabakti 3 Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan

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5.2 Details of Directors' shareholdings

Our Directors' shareholdings as at the LPD and the proforma effects of the Corporate Exercises on their shareholdings are set out below.

Minimum Scenario

	As at the LPD				(I) After the Rights Issue				(II) After (I) and the full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TPY	52,666,800	6.22	79,880,000*	9.44	132,726,800	13.74	119,820,000*	12.40	172,756,800	16.84	139,790,000*	13.62
See Poh Yee	5,930,000	0.70	79,880,000*	9.44	5,930,000	0.61	119,820,000*	12.40	5,930,000	0.58	139,790,000*	13.62
Yap Siok Teng	150,000	0.02	-	-	150,000	0.02	-	-	150,000	0.01	-	-
Fu Lit Fung	-	-	-	-	-	-	-	-	-	-	-	-
Leou Thiam Lai	-	-	-	-	-	-	-	-	-	-	-	-
Ungku A. Razak Bin Ungku A. Rahman	-	-	-	-	-	-	-	-	-	-	-	-

Note:

* *Deemed interested by virtue of their shareholdings in STSB.*

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Maximum Scenario

	As at the LPD				(I) After the full exercise of the Existing Warrants				(II) After (I) and the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
TPY	52,666,800	6.22	79,880,000*	9.44	53,704,615	4.41	87,168,003*	7.16	80,556,923	4.41	130,752,005*	7.16
See Poh Yee	5,930,000	0.70	79,880,000*	9.44	6,523,000	0.54	87,168,003*	7.16	9,784,500	0.54	130,752,005*	7.16
Yap Siok Teng	150,000	0.02	-	-	150,000	0.01	-	-	225,000	0.01	-	-
Fu Lit Fung	-	-	-	-	-	-	-	-	-	-	-	-
Leou Thiam Lai	-	-	-	-	-	-	-	-	-	-	-	-
Ungku A. Razak Bin Ungku A. Rahman	-	-	-	-	-	-	-	-	-	-	-	-

	(III) After (II) and the full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
TPY	93,983,076	4.41	152,544,005*	7.16
See Poh Yee	11,415,250	0.54	152,544,005*	7.16
Yap Siok Teng	262,500	0.01	-	-
Fu Lit Fung	-	-	-	-
Leou Thiam Lai	-	-	-	-
Ungku A. Razak Bin Ungku A. Rahman	-	-	-	-

Note:

* *Deemed interested by virtue of their shareholdings in STSB.*

6. SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our Company's subsidiaries as at the LPD are as follows:

Name of company	Date/Place of incorporation	Issued and paid-up share capital	Effective ownership interest %	Principal activities
Nextnation Network Sdn. Bhd.	20 April 2000 / Malaysia	RM3,000,000	100	Programming services, software development, internet consulting and provision of information technology services
Gates Mobility Holdings Sdn. Bhd.	6 December 2007 / Malaysia	RM2	100	Property investment
Nextnation Datacity Sdn. Bhd.	30 March 2012 / Malaysia	RM500,000	100	Property development
Nextgram Land Sdn. Bhd.	7 September 2012 / Malaysia	RM5,000,000	100	Dormant
Nextgram Resources Sdn. Bhd.	7 September 2012 / Malaysia	RM5,000	100	Dormant
Nextgram Industries Sdn. Bhd. *(formerly known as Jed Meridian Sdn. Bhd.)*	23 July 2013 / Malaysia	RM2	100	Investment holding
Interest held by Nextnation Network Sdn. Bhd.				
Dubaitech Marketing Sdn. Bhd.	28 September 2004 / Malaysia	RM100,000	100	Content aggregator
Godynamic Investments Limited	2 July 2004 / British Virgin Island	USD100	51	Investment holding
Kotaemas Edaran Sdn. Bhd.	28 September 2004 / Malaysia	RM100,000	100	Content aggregator
Nextnation Collections Sdn. Bhd.	23 March 2004 / Malaysia	RM1,000	100	Development and distribution of retail mobile application solutions
Prisma Interactive Sdn Bhd *(formerly known as Nextnation Interactive Sdn. Bhd)**	23 September 2004 / Malaysia	RM100,000	100	Provision of business development and strategic partnership activities
Taffu Media Sdn. Bhd.	22 June 2004 / Malaysia	RM100,000	100	Provision of media advertising, publishing and printing services
Usape Nelson Wireless Sdn. Bhd.	22 June 2004 / Malaysia	RM2	100	Content aggregator
Interest held by Gates Mobility Holdings Sdn. Bhd.				
Gates Mobility Sdn. Bhd.	31 December 2009/ Malaysia	RM2	100	Investment holding
Interest held by Gates Mobility Sdn. Bhd.				
Gates Connectivity Sdn. Bhd.	28 December 2009 / Malaysia	RM2	100	Investment holding

Note:

* *Disposal expected to be completed by end of December 2013.*

INFORMATION ON OUR COMPANY *(Cont'd)*

Name of company	Date/Place of incorporation	Issued and paid-up share capital	Effective ownership interest %	Principal activities
Interest held by Gates Connectivity Sdn. Bhd.				
Tech Bonanza Sdn. Bhd.	18 May 2004 / Malaysia	RM200,000	100	Provision of multiple gateway for technology enabling and content provisioning services
Interest held by Taffu Media Sdn. Bhd.				
Divamas Promotions Sdn. Bhd.	15 October 2004 / Malaysia	RM100,000	100	Provision of media advertising, publishing and printing services
Nextnation Services Sdn. Bhd.	31 January 2005 / Malaysia	RM30	100	Company secretarial services
Pudong Oversea Capital Sdn. Bhd.	28 September 2004 / Malaysia	RM100,000	100	Provision of media advertising, publishing and printing services
Interest held by Godynamic Investments Limited				
Elasitas Techonologies Limited	8 March 2006 / British Virgin Island	USD95	87	Investment holding
PT Flower Star Media	4 August 2006 / Indonesia	IDR2,803,500,000	84	Mobile application service provider
PT Semestra Tirta Antara Raya	24 September 2004 / Indonesia	IDR3,000,000,000	84	Mobile application service provider
Vinamob Venture Company Limited	30 November 2006 / Vietnam	USD100,000	100	Mobile application service provider
Vision Phoenix Group Limited	23 November 2006 / British Virgin Island	USD1	100	Mobile application service provider
Interest held by Elasitas Technologies Limited				
PT Elasitas Multi Kreasi	6 March 2003 / Indonesia	IDR4,650,000,000	99	Mobile application service provider

The details of our Company's associated companies as at the LPD are as follows:

Name of company	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
R&A Telecommunication Group Berhad	15 March 2004/ Malaysia	RM87,896,600	22.75	Investment holding and provision of management services
Interest held by Godynamic Investments Limited				
Siamtouch Wireless Ltd.	1 October 2004 / Thailand	2,000,000 Baht	49	Mobile application service provider
Interest held by Prisma Interactive Sdn Bhd *(formerly known as Nextnation Interactive Sdn. Bhd.)*				
PT Nextnation Prisma	8 June 2006 / Indonesia	Rp. 881,000,000	40	Provision of business development and strategic partnership activities

Name of company	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Interest held by Siamtouch Wireless Ltd				
Cloud Gateway Company Limited	29 April 2012 / Thailand	100,000 Baht	99.998	Gateway provider

7. PROFIT AND DIVIDEND RECORD

The following table summarises the audited results of our Group for the past three (3) FYEs 2013 and the unaudited results of our Group for the three (3) months FPE 31 July 2013:

	<---------- Audited ---------->			<------ Unaudited ------>	
	FYE 2011 RM'000	**FYE 2012 RM'000**	**FYE 2013 RM'000**	**FPE 31 July 2012 RM'000**	**FPE 31 July 2013 RM'000**
Revenue	**72,311**	**62,900**	**79,677**	**16,607**	**24,979**
Gross profit	**16,653**	**16,331**	**15,814**	**4,342**	**5,069**
Other operating income	**177**	**5,418**	**5,020**	**15**	**5**
Earnings/(Loss) before interest, taxation, depreciation and amortisation	**5,712**	**10,653**	**13,166**	**2,085**	**3,887**
Depreciation and amortisation	(3,863)	(3,257)	(5,656)	(601)	(2,159)
Finance costs	(624)	(499)	(917)	(89)	(304)
PBT/(LBT)	**1,225**	**6,897**	**6,593**	**1,395**	**1,424**
Tax expense	(19)	-	(6)	(90)	-
PAT/(LAT)	**1,206**	**6,897**	**6,587**	**1,305**	**1,424**
Less: Non-controlling interests	(141)	1,081	771	(34)	102
Profit/(Loss) attributable to equity holders of our Company	**1,065**	**7,978**	**7,358**	**1,271**	**1,526**
Gross profit margin (%)	23.03	25.96	19.85	26.15	20.29
PAT/(LAT) margin (%)	1.67	10.97	8.27	7.86	5.70
Weighted average number of ordinary shares in issue (basic) ('000)	415,800	421,382	580,797	458,099	654,053
Weighted average number of ordinary shares in issue (diluted) ('000)	*(c)*	*(c)*	583,717	*(c)*	654,053
Basic EPS/(LPS) (sen)[(a)]	0.26	1.89	1.27	0.27	0.23
Diluted EPS/(LPS) (sen)[(b)]	*(c)*	*(c)*	1.26	*(c)*	0.23
Gross dividend per Share (sen)	-	-	-	-	-

Notes:

(a) *Computed by dividing the profit/(loss) attributable to equity holders of our Company by the weighted average number of ordinary shares in issue.*

(b) *Computed by dividing the profit attributable to equity holders of our Company by the weighted average number of ordinary shares and warrants in issue.*

(c) *There are no potentially dilutive equity instruments in issue that gave dilutive effect to the EPS.*

Commentaries on past performance:

FYE 2011

Our Group's revenue increased by approximately RM6.23 million in the FYE 2011 as compared to the FYE 2010 was mainly due to greater consumer demand for the Group's mobile value-added products and services.

Our Group's PAT decreased by approximately RM3.63 million in the FYE 2011 as compared to the FYE 2010 was mainly due to the gain of RM4.5 million from the one-off disposal of subsidiary companies that was recorded in FYE 2010 and not for the FYE 2011 and also due to relatively higher amortisation costs incurred in the FYE 2011.

FYE 2012

Our Group's revenue recorded a decrease by approximately RM9.41 million in the FYE 2012 as compared to the FYE 2011. This was mainly due to decrease in sales in other countries especially Indonesia for the Group's products and services.

Our Group's recorded a higher PAT of RM6.90 million in the FYE 2012 as compared to FYE 2011 mainly due to gain on the disposal of subsidiary company and gain on the disposal of a property by a subsidiary company amounted to RM3.4 million and RM1.3 million, respectively.

FYE 2013

Our Group's revenue increased by 26.68% to RM79.68 million in the FYE 2013 as compared to revenue of RM62.90 million in the FYE 2012, mainly due to business expansion in Indonesia with an Outsourcing Agreement between the Group and PT Inovisi Infrakom Tbk, which was only commencing since 30 November 2013.

Our Group's PAT decreased by RM0.31 million in FYE 2013 as compared to FYE 2012. The decreased was mainly attributable to the amortisation of intangible assets of RM2.63 million, which only incurred in FYE 2013, however, it was offset by the waiver of debts of RM1.42 million, realised gain on foreign exchange of RM0.41 million and the decreased of RM0.77 million in fair value adjustment on non-current receivables in FYE 2013.

FPE 31 July 2013

Our Group's revenue increased by 50.4% to RM24.98 million in the FPE 31 July 2013 as compared to revenue of RM16.61 million recorded in the FPE 31 July 2012, mainly due to contribution by Inoconnect Project which approximately amount to RM7.20 million.

Our Group recorded a PAT of RM1.42 million in the FPE 31 July 2013 compared to a PAT of RM1.30 million recorded in the FPE 31 July 2012. The increased in profit was mainly attributable to new revenue generated from InoConnect Project with a gross profit of RM2.3 million, however the increase was offset by the additional amortisation of intangible assets amounted to RM1.40 million and additional term loan interest in relation to Cyberjaya Land amounted to RM0.20 million.

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8. SHARE PRICES

The following table sets out the monthly highest and lowest market prices of our Shares as transacted on the Main Market of Bursa Securities for the twelve (12) months preceding the date of this AP:

Months	**High (RM)**	**Low (RM)**
2012		
December	0.130	0.100
2013		
January	0.115	0.090
February	0.095	0.085
March	0.100	0.085
April	0.115	0.085
May	0.100	0.080
June	0.105	0.085
July	0.090	0.080
August	0.095	0.080
September	0.095	0.080
October	0.095	0.085
November	0.105	0.085
The last transacted market price on 26 June 2013 (being the last Market Day prior to the announcement of the Corporate Exercises)		RM0.090
The last transacted price on 29 November 2013 (being the latest practicable date prior to the printing of this AP)		RM0.090
The last transacted market price on 17 December 2013 (being the last Market Day prior to the ex-date for the Rights Issue)		RM0.080

(Source: Bloomberg)

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

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Report on the Financial Statements

We have audited the financial statements of Nextnation Communication Berhad, which comprise statements of financial position as at 30 April 2013 of the Group and of the Company, and statements of 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 information as set out on pages 14 to 91.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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 about whether the financial statements are free from material misstatement.

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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design 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 control. 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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Report on the Financial Statements (cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 April 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

c) We are satisfied that the accounts 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 auditors' reports on the accounts 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 on page 92 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. 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.

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Other Matters

1. As stated in Note 42 to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 May 2012 with a transition date of 1 May 2011. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 30 April 2012 and 1 May 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year ended 30 April 2012 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 April 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 May 2012 do not contain misstatements that materially affect the financial position as of 30 April 2013 and financial performance and cash flows for the financial year then ended.

2. 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.

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

HOOI KOK MUN
(NO: 2207/01/14(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
29 August 2013

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013

		Group			Company		
			Restated	Restated			
	Note	30.4.2013	30.4.2012	1.5.2011	30.4.2013	30.4.2012	1.5.2011
		RM	RM	RM	RM	RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	4	11,754,506	23,053,912	19,167,429	-	-	-
Land held for property development	5	19,217,214	-	-	-	-	-
Development expenditure	6	4,330,849	5,247,475	17,984,035	-	-	-
Intangible assets	7	26,137,446	1,169,013	1,169,013	-	-	-
Goodwill on consolidation	8	-	920,473	920,473	-	-	-
Investment in subsidiaries	9	-	-	-	9,900,100	9,400,002	9,400,000
Investment in associates	10	-	-	-	-	-	-
Non-current receivables	11	-	-	-	-	-	-
Total non-current assets		61,440,015	30,390,873	39,240,950	9,900,100	9,400,002	9,400,000
Current assets							
Trade receivables	12	52,415,437	40,314,989	27,287,623	-	-	-
Other receivables	13	14,258,799	11,039,530	16,628,943	1,500	-	-
Amount due from subsidiaries	14	-	-	-	53,793,055	32,738,418	39,836,710
Amount due from associates	15	2,450,643	2,229,070	1,820,063	-	-	-
Tax recoverable		3,877	585,517	826,990	97	4,680	4,680
Fixed deposits with a licensed bank	16	616,801	578,527	562,223	-	-	-
Cash and cash equivalents	17	3,789,356	4,375,094	2,328,645	176,168	37,228	37,569
Total current assets		73,534,913	59,122,727	49,454,487	53,970,820	32,780,326	39,878,959
Assets held for sale	18	5,840,488	16,197,366	6,775,662	-	-	-
Total assets		140,815,416	105,710,966	95,471,099	63,870,920	42,180,328	49,278,959
EQUITY AND LIABILITIES							
EQUITY							
Equity attributable to owners of the Company:							
Share capital	19	65,405,340	45,738,000	41,580,000	65,405,340	45,738,000	41,580,000
Reserves	20	8,636,996	5,952,554	5,558,840	8,931,846	6,182,540	5,558,840
Retained earnings/ (Accumulated losses)	21	33,674,017	26,316,483	18,338,631	(10,539,636)	(9,799,166)	2,059,452
		107,716,353	78,007,037	65,477,471	63,797,550	42,121,374	49,198,292
Non-controlling interests		(1,032,715)	(4,975)	2,112,179	-	-	-
Total equity		106,683,638	78,002,062	67,589,650	63,797,550	42,121,374	49,198,292
LIABILITIES							
Non-current liabilities							
Finance lease payables	22	384,884	475,929	957,983	-	-	-
Term loans	23	16,296,315	5,240,508	8,279,689	-	-	-
Retirement benefits	24	-	109,530	-	-	-	-
Total non-current liabilities		16,681,199	5,825,967	9,237,672	-	-	-

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

	Note	Group 30.4.2013 RM	Group Restated 30.4.2012 RM	Group Restated 1.5.2011 RM	Company 30.4.2013 RM	Company 30.4.2012 RM	Company 1.5.2011 RM
Current liabilities							
Trade payables	25	11,038,071	10,427,264	6,991,568	-	-	-
Other payables	26	1,430,403	5,273,977	3,963,643	73,369	58,951	80,666
Amount due to a subsidiary	14	-	-	-	1	1	1
Amount due to an associate	15	-	114,329	-	-	-	-
Amount due to a Director	27	-	1,203,394	1,203,392	-	2	-
Finance lease payables	22	127,898	306,803	371,722	-	-	-
Term loans	23	1,498,753	485,188	1,837,201	-	-	-
Bank overdraft	17	1,444,144	1,501,714	853,818	-	-	-
Tax payables		7,625	902	-	-	-	-
Total current liabilities		15,546,894	19,313,571	15,221,344	73,370	58,954	80,667
Liabilities directly associated with assets held for sale	18	1,903,685	2,569,366	3,422,433	-	-	-
Total liabilities		34,131,778	27,708,904	27,881,449	73,370	58,954	80,667
Total equity and liabilities		140,815,416	105,710,966	95,471,099	63,870,920	42,180,328	49,278,959

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

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Revenue	28	79,677,107	62,900,550	-	28,000,000
Cost of sales	29	(63,862,882)	(46,569,229)	-	-
Gross profit		15,814,225	16,331,321	-	28,000,000
Other income		5,020,412	5,417,707	7,718	1,293
Administration expenses		(9,646,032)	(11,080,391)	(748,188)	(513,201)
Other expenses		(3,678,351)	(3,272,192)	-	(39,346,710)
Operating profit/(loss)		7,510,254	7,396,445	(740,470)	(11,858,618)
Finance costs	30	(916,907)	(499,042)	-	-
Profit/(Loss) before tax	31	6,593,347	6,897,403	(740,470)	(11,858,618)
Tax expense	32	(6,583)	-	-	-
Profit/(Loss) for the financial year		6,586,764	6,897,403	(740,470)	(11,858,618)
Other comprehensive loss					
Foreign currency translation		(321,834)	(1,266,691)	-	-
Total comprehensive income/(loss) for the financial year		6,264,930	5,630,712	(740,470)	(11,858,618)
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		7,357,534	7,977,852	(740,470)	(11,858,618)
Non-controlling interests		(770,770)	(1,080,449)	-	-
		6,586,764	6,897,403	(740,470)	(11,858,618)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		7,292,670	7,747,866	(740,470)	(11,858,618)
Non-controlling interests		(1,027,740)	(2,117,154)	-	-
		6,264,930	5,630,712	(740,470)	(11,858,618)
Earnings per share attributable to owners of the Company (sen):-					
- Basic	33	1.27	1.89		
- Diluted	33	1.26	*		

* anti-dilute in nature

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

NEXTNATION COMMUNICATION BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

	← Attributable to owners of the Company					→		
	← Non-distributable			→				
	Share capital RM	Share premium RM	Warrant reserve RM	Translation reserve RM	Retained earnings/ (Accumulated losses) RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
Balance at 1 May 2011, as previous reported	41,580,000	5,558,840	-	(6,659,506)	24,998,137	65,477,471	2,112,179	67,589,650
Effect of adopting MFRS 1	-	-	-	6,659,506	(6,659,506)	-	-	-
Balance at 1 May 2011, restated	41,580,000	5,558,840	-	-	18,338,631	65,477,471	2,112,179	67,589,650
Profit for the financial year	-	-	-	-	7,977,852	7,977,852	(1,080,449)	6,897,403
Foreign currency translation	-	-	-	(229,986)	-	(229,986)	(1,036,705)	(1,266,691)
Total comprehensive income for the financial year	-	-	-	(229,986)	7,977,852	7,747,866	(2,117,154)	5,630,712
Transaction with owners:								
- Issue of ordinary shares	4,158,000	623,700	-	-	-	4,781,700	-	4,781,700
Balance at 30 April 2012, restated	45,738,000	6,182,540	-	(229,986)	26,316,483	78,007,037	(4,975)	78,002,062
Profit for the financial year	-	-	-	-	7,357,534	7,357,534	(770,770)	6,586,764
Foreign currency translation	-	-	-	(64,864)	-	(64,864)	(256,970)	(321,834)
Total comprehensive income for the financial year	-	-	-	(64,864)	7,357,534	7,292,670	(1,027,740)	6,264,930
Transaction with owners:								
- Issue of ordinary shares	19,667,340	2,749,306	-	-	-	22,416,646	-	22,416,646
- Issue of warrants	-	(4,380,405)	4,380,405	-	-	-	-	-
Total transactions with owners	19,667,340	(1,631,099)	4,380,405	-	-	22,416,646	-	22,416,646
Balance at 30 April 2013	65,405,340	4,551,441	4,380,405	(294,850)	33,674,017	107,716,353	(1,032,715)	106,683,638
Company								
Balance at 1 May 2011	41,580,000	5,558,840	-	-	2,059,452	49,198,292	-	49,198,292
Total comprehensive loss for the financial year	-	-	-	-	(11,858,618)	(11,858,618)	-	(11,858,618)
Transaction with owners:								
- Issue of ordinary shares	4,158,000	623,700	-	-	-	4,781,700	-	4,781,700
Balance at 30 April 2012	45,738,000	6,182,540	-	-	(9,799,166)	42,121,374	-	42,121,374
Total comprehensive loss for the financial year	-	-	-	-	(740,470)	(740,470)	-	(740,470)
Transaction with owners:								
- Issue of ordinary shares	19,667,340	2,749,306	-	-	-	22,416,646	-	22,416,646
- Issue of warrants	-	(4,380,405)	4,380,405	-	-	-	-	-
Total transactions with owners	19,667,340	(1,631,099)	4,380,405	-	-	22,416,646	-	22,416,646
Balance at 30 April 2013	65,405,340	4,551,441	4,380,405	-	(10,539,636)	63,797,550	-	63,797,550

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

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
OPERATING ACTIVITIES				
Profit/(Loss) before tax	6,593,347	6,897,403	(740,470)	(11,858,618)
Adjustments for:-				
Amortisation of development expenditure	916,626	916,627	-	-
Amortisation of intangible assets	2,628,114	-	-	-
Bad debts written off	-	97,426	-	-
Depreciation of property, plant and equipment	2,111,115	2,340,000	-	-
Dividend income	-	-	-	(28,000,000)
Fair value adjustment on non-current receivables	-	774,412	-	-
Gain on disposal of assets and liabilities held for sale	(1,954,055)	(4,700,471)	-	-
Gain on disposal of property, plant and equipment	(1,111,925)	(34,987)	-	-
Impairment loss on goodwill	920,473	-	-	-
Impairment loss on receivables	274,649	845,671	-	39,346,710
Impairment on assets and liabilities held for sale	-	979,351	-	-
Impairment on investment in associates	-	146,920	-	-
Interest expenses	905,727	498,438	-	-
Interest income	(34,668)	(141,935)	(7,718)	(1,293)
Property, plant and equipment written off	1,945	334	-	-
(Reversal)/Provision for retirement benefits	(24,314)	114,232	-	-
Unrealised loss on foreign exchange	1,296,995	508,001	-	-
Waiver of debts	(1,421,979)	-	-	-
Operating profit/(loss) before working capital changes	11,102,050	9,241,422	(748,188)	(513,201)
Changes in working capital:-				
Receivables	(15,215,740)	(12,083,720)	(1,500)	-
Payables	(2,294,804)	6,435,977	14,418	(21,715)
Director	(1,203,394)	-	(2)	-
Net cash (used in)/generated from operations	(7,611,888)	3,593,679	(735,272)	(534,916)
Tax refund	581,780	217,893	4,680	-
Interest paid	(905,727)	(760,944)	(97)	-
Net cash (used in)/flows from operating activities	(7,935,835)	3,050,628	(730,689)	(534,916)
INVESTING ACTIVITIES				
Acquisition of subsidiaries	-	-	(500,098)	-
Advance to subsidiaries	-	-	(21,054,637)	(4,248,418)
Advance to associates	(313,192)	(354,129)	-	-
Purchase of land held for property development	(19,217,214)	-	-	-
Purchase of intangible assets	(23,492,450)	-	-	-
Purchase of property, plant and equipment (Note 4)	(141,467)	(6,453,522)	-	-
Proceeds from disposal of property, plant and equipment	4,508,364	72,252	-	-
Proceeds from disposal of assets and liabilities held for sale	-	4,800,000	-	-
Proceeds from disposal of a subsidiary, net of cash disposed (Note 41(b)(ii))	12,984,417	-	-	-
Net cash used in investing activities	(25,671,542)	(1,935,399)	(21,554,735)	(4,248,418)

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2013 (CONT'D)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
FINANCING ACTIVITIES				
Placement of fixed deposits	(38,274)	(16,304)	-	-
Interest received	34,668	141,935	7,718	1,293
Proceeds from issuance of shares	22,416,646	4,781,700	22,416,646	4,781,700
Repayment of finance lease payables	(451,306)	(465,864)	-	-
Net drawdown/(repayment) of term loans	12,210,952	(4,060,641)	-	-
Net cash flows from financing activities	34,172,686	380,826	22,424,364	4,782,993
CASH AND CASH EQUIVALENTS				
Net changes	565,309	1,496,055	138,940	(341)
At beginning of the financial year	2,922,449	1,576,659	37,228	37,569
Effect of exchange rate changes	35,490	(150,265)	-	-
At end of the financial year (Note 17)	3,523,248	2,922,449	176,168	37,228

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

NEXTNATION COMMUNICATION BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2013

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur and Unit 909, Block F, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan respectively.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2013.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all value are rounded to the nearest RM except for otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

2.4 First-time adoption of MFRSs

In the previous years, the financial statements of the Group and the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). These are the Group and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

The explanation and financial impacts on transition to MFRSs are disclosed in Note 42.

2.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company:

Amendments to MFRS effective 1 July 2012 :

MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

MFRSs effective 1 January 2013 :

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (International Accounting Standard ("IAS") 19 as amended by International Accounting Standards Board ("IASB") in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Interpretation 20*	Stripping Costs in the Production of A Surface Mine

Amendments to MFRSs effective 1 January 2013 :

MFRS 1*	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Annual Improvements 2009 – 2011 Cycle issued in July 2012

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and the Company (cont'd):

Amendments to MFRSs effective 1 January 2014 :

MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

MFRSs effective 1 January 2015 :

MFRS 7	Financial Instruments : Disclosures-Mandatory Date of MFRS 9 and Transition Disclosures
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

*Not applicable to the Group's and the Company's operations.

The initial application of the above standards are not expected to have any financial impacts to the financial statements upon the first adoption, except for:-

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting MFRS 9.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards issued but not yet effective (cont'd)

The initial application of the above standards are not expected to have any financial impacts to the financial statements upon the first adoption, except for (cont'd):-

MFRS 119 Employee Benefits

The amendments to MFRS 119 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor method" permitted under the previous version of MFRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit and surplus.

The adoption of amendments to MFRS 119 will result in a change in the accounting policy for the Group's retirement benefits plan. The Group is currently examining the financial impact of adopting MFRS 119.

2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.6.1 Estimation uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Impairment of goodwill

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Impairment of goodwill (cont'd)

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

The Group has incurred an impairment loss of RM920,473 on goodwill in current financial year in order to reduce the carrying amount of goodwill to its recoverable amount.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 8 to the financial statements.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment to be within 4 to 50 years and reviews the useful lives of depreciable assets at end each of the reporting date. The management estimates the useful lives of telecommunication equipment to be 10 years. These are common life expected applied in the telecommunication industry. In addition, the estimation of the useful lives of telecommunication equipment is based on internal technical evaluation and experience with similar assets. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements.

A 1% difference in the expected useful lives of the property, plant and equipment from the management estimates would result in approximately 1% (2012: 5%) variance in the Group's profit for the financial year.

Amortisation of development expenditure and intangible assets

Development expenditure and intangible assets are amortised for a period of 10 and 5 financial years respectively based on industry comparison. Changes in the technological development and market demand could impact economical useful life of the assets, therefore future amortisation charges could be revised.

The sensitivity analysis and carrying amount of the Group's development expenditure and intangible assets at the end of the reporting period are disclosed in Note 6 and 7 to the financial statements respectively.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Impairment of investment in subsidiaries and recoverability of amount due from subsidiaries

The Company reviews its investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. Costs of investments in subsidiaries which have ceased operations were impaired up to net assets of the subsidiaries. The impairment made on investment in subsidiaries entails an allowance for doubtful debts to be made to the amount owing by these subsidiaries.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumption could significantly affect the results of the Company's test for impairment of investment in subsidiaries and recoverability of amount due from subsidiaries.

The carrying amount of the Company's investment in subsidiaries and amount due from subsidiaries at the end of the reporting period are disclosed in Note 9 and 14 to the financial statements.

No sensitivity analysis has been disclosed as the management does not expect any material difference that would arise on the estimation of impairment in the investment in subsidiaries and the recoverability of amount due from subsidiaries.

Impairment of loans and receivables

The Group and the Company assess at end of each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

As at the reporting date, the impairment of financial assets are disclosed in Note 12, 13, 14 and 15 to the financial statements.

As at the reporting date, a 1% (2012: 1%) difference in the impairment loss on trade receivables from the management estimate would result in approximately 2% (2012: 2%) variance in the Group's profit for the year.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements and in preparing their opening MFRS statements of financial position at 1 May 2011 (the transition date to MFRS framework), unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiaries

A subsidiary is a company in which the Group or the Company has the power to exercise control over the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies.

All intra-company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1. Consolidation (cont'd)

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that 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 values of the operation disposed of and the portion of the cash-generating unit retained.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.4 Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

3.1.5 Associates

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, investment in an associate is carried in the statements of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate.

The share of the results of an associate is reflected in profit or loss. This is the profit attributable to equity holders of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at the end of the reporting date whether there is any objective evidence that the investments in the associate are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying values and recognise the amount in the "share of profit of associates" in profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.6 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 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.

3.2 Foreign currency translation

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency.

3.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

3.2.2 Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their profit or loss and other comprehensive income are translated at average rate over the reporting period. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment and depreciation

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line method in order to write off the cost or valuation of each asset over its estimated useful life. The property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	2 %
Office equipment	20 %
Furniture and fittings	20 %
Motor vehicles	20 % - 25%
Renovation	20 %
Telecommunication equipment	10 %

Included in telecommunication equipment are purchased computer software costs which are integral to such equipment.

Capital work-in-progress consists of buildings and computer software under construction/installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until it is completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Land held for property development

Land held for property development is included under non-current asset where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. It is stated at cost less any accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land and incidental costs directly attributable to its acquisition. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost.

The land held for property development is reclassified as property development costs under current assets, when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.5 Development expenditure

The costs arising from development expenditures on an internally developed products is recognised as an intangible asset when it relates to the production of new or substantively improved products and processes and when the Group can demonstrate the technical feasibility to develop the product or processes so that it will be available for use or sale, its intention to complete and its ability to sell the product or processes, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during development.

Development expenditure not satisfying the criteria mentioned and expenditure arising from research or from the research phase of internal projects are recognised in profit or loss as incurred.

Development expenditure of the Group comprises of direct cost and overhead costs incurred in the development of software platform and real-time multiplayer mobile game. Following initial recognition, development expenditure are carried at cost less accumulated amortisation and any accumulated impairment losses.

Development expenditure has a finite useful life and are amortised on a straight line basis over the period of expected sales from the related project (ranging 10 years) and assessed for impairment whenever there is an indication that the development expenditure may be impaired. The amortisation period and the amortisation method for the development expenditure with a finite useful life are reviewed at least at each financial year end. The amortisation expense is recognised in the profit or loss in the expense category consistent with the function of the development expenditure.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Intangible assets (cont'd)

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible assets is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

3.7 Financial instruments

3.7.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are measured initially at fair value plus transaction cost, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below:-

3.7.2 Financial assets – categorisation and subsequent measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:-

(a) loans and receivables;
(b) financial assets at fair value through profit or loss;
(c) held to maturity investments; and
(d) available-for-sale financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

3.7.2 Financial assets – categorisation and subsequent measurement (cont'd)

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least once at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

At the reporting date, the Group and the Company have not designated any financial assets at fair value through profit or loss, held to maturity investments and available-for-sale financial assets. The Group and the Company carries only loans and receivables on their statements of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less allowance for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group's and the Company's trade and most of the other receivables, and cash and cash equivalents fall into this category of financial instruments.

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

3.7.3 Financial liabilities - categorisation and subsequent measurement

After the initial recognition, financial liability is classified as:

(a) financial liability at fair value through profit or loss;
(b) other liabilities measure at amortised cost using the effective interest method; and
(c) financial guarantee contracts.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

3.7.3 Financial liabilities - categorisation and subsequent measurement (cont'd)

A financial liability is derecognised when and only, when the obligation specificied in the contract, discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

At the reporting date, the Group has not designated any financial liabilities at fair value through profit or loss. The Group carries only other financial liabilities on its statement of financial position.

Other liabilities measured at amortised cost

The Group's and the Company's financial liabilities include trade and other payables, and borrowings.

Other financial liabilities subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to deter settlement of the liability for at least 12 months after the reporting date.

3.8 Impairment of assets

3.8.1 Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of three years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the third year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of assets (cont'd)

3.8.1 Non-financial assets (cont'd)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at the end of each reporting date, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting date, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.8.2 Financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of assets (cont'd)

3.8.2 Financial assets (cont'd)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable date indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, short term demand deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Bank overdraft is shown in current liabilities in the statements of financial position.

For the purpose of the statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current asset.

3.10 Assets and liabilities classified as held for sale

Non-current assets comprising assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, 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 costs to sell.

Liabilities are classified as held for sale and presented as such in the statement of financial position if they are directly associated with a disposal group.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis. Impairment losses on initial classification as held for sale 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 are not amortised or depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Equity, reserves and dividend payments

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

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction cases associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Warrant reserve is valued based on the closing price of the first trading day. The issuance of the ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Foreign currency translation difference arising on the translation of the Group's foreign entities are included in the exchange translation reserve.

Retained earnings/Accumulated losses include all current and prior year retained earnings/accumulated losses.

Final dividends proposed by the Directors are not accounted for in shareholders' equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

All transactions with owners of the Company are recorded separately within equity.

3.12 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (cont'd)

3.12.1 Finance leases

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

3.12.2 Operating leases

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Rendering of services

Revenue is recognised upon the performance or service rendered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue recognition (cont'd)

Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

Dividend income

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

Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.15 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.15.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax expense (cont'd)

3.15.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3.16 Employee benefits

3.16.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

A provision is made for the estimated liability for unutilised leave as a result of services rendered by employees up to the end of the reporting year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Employee benefits (cont'd)

3.16.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").

3.16.3 Defined benefits plans

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and their fair value of any plan assets are deducted.

The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employee is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in personal expenses in profit or loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, change in the present value of defined benefit obligation and any related actuarial gains and losses and past service cost that had not previously been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.18 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs such that outflow is probable and can be measured reliably, they will then be recognised as a provision.

3.19 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

   (i) Has control or joint control over the Group;
   (ii) Has significant influence over the Group; or
   (iii) Is a member of the key management personnel of the ultimate holding company of the Group, or the Group.

(b) An entity is related to the Group if any of the following conditions applies :

   (i) The entity and the Group are members of the same group; or
   (ii) One entity is an associate or joint venture of the other entity; or
   (iii) Both entities are joint ventures of the same third party; or
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
   (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group; or
   (vi) The entity is controlled or jointly-controlled by a person identified in (a) above; or
   (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold buildings RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Telecom-munication equipment RM	Capital work-in-progress RM	Total RM
Group								
Cost								
At 1.5.2011	5,882,302	3,933,961	411,701	3,025,981	768,222	12,013,031	3,343,187	29,378,385
Additions	-	913,105	-	-	-	-	5,540,417	6,453,522
Disposals	-	(118,570)	(17,880)	(93,159)	-	-	-	(229,609)
Written off	-	(6,850)	-	-	-	-	-	(6,850)
Transferred to assets held for sale (Note 18)	-	(72,802)	-	(138,954)	-	-	-	(211,756)
Translation differences	(15,521)	(83,906)	(3,996)	(19,013)	3,414	-	(109,596)	(228,618)
At 30.4.2012	5,866,781	4,564,938	389,825	2,774,855	771,636	12,013,031	8,774,008	35,155,074
Additions	-	37,087	-	246,280	54,100	-	-	337,467
Disposals	-	(7,071)	-	(220,371)	-	-	(3,303,095)	(3,530,537)
Written off	-	(12,021)	-	-	-	-	-	(12,021)
Transferred to intangible assets (Note 7)	-	-	-	-	-	-	(5,273,110)	(5,273,110)
Transferred to assets held for sale (Note 18)	-	(1,648,390)	-	(543,081)	-	-	-	(2,191,471)
Translation differences	(31,043)	(151,951)	(9,022)	(49,810)	(545)	-	(197,803)	(440,174)
At 30.4.2013	5,835,738	2,782,592	380,803	2,207,873	825,191	12,013,031	-	24,045,228

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold buildings RM	Office equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Telecom-munication equipment RM	Capital work-in-progress RM	Total RM
Group (cont'd)								
Accumulated depreciation								
At 1.5.2011	533,204	3,356,089	366,194	1,618,192	680,123	3,657,154	-	10,210,956
Charge for the financial year	133,801	352,792	31,776	567,485	52,843	1,201,303	-	2,340,000
Disposals	-	(118,569)	(17,880)	(55,895)	-	-	-	(192,344)
Written off	-	(6,516)	-	-	-	-	-	(6,516)
Transferred to assets held for sale (Note 18)	-	(65,759)	-	(108,847)	-	-	-	(174,606)
Translation differences	(3,973)	(54,066)	(4,215)	(16,550)	2,476	-	-	(76,328)
At 30.4.2012	663,032	3,463,971	375,875	2,004,385	735,442	4,858,457	-	12,101,162
Charge for the financial year	132,119	356,405	10,889	380,603	29,795	1,201,304	-	2,111,115
Disposals	-	(5,548)	-	(128,550)	-	-	-	(134,098)
Written off	-	(10,076)	-	-	-	-	-	(10,076)
Transferred to assets held for sale (Note 18)	-	(1,142,923)	-	(460,397)	-	-	-	(1,603,320)
Translation differences	(8,267)	(113,863)	(8,940)	(42,398)	(593)	-	-	(174,061)
At 30.4 2013	786,884	2,547,966	377,824	1,753,643	764,644	6,059,761	-	12,290,722
Net carrying amount								
30.4.2013	5,048,854	234,626	2,979	454,230	60,547	5,953,270	-	11,754,506
30.4.2012	5,203,749	1,100,967	13,950	770,470	36,194	7,154,574	8,774,008	23,053,912
1.5.2011	5,349,098	577,872	45,507	1,407,789	88,099	8,355,877	3,343,187	19,167,429

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	30.4.2013 RM	30.4.2012 RM
Purchase of property, plant and equipment	337,467	6,453,522
Finance by hire purchase and lease arrangements	(196,000)	-
Cash payments on purchase of property, plant and equipment	141,467	6,453,522

The net carrying amount of the Group's property, plant and equipment under finance lease are as follows:-

	Group		
	30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Motor vehicles	454,134	770,374	1,320,084

Net carrying amount of motor vehicles of a subsidiary which are held in trust by a Director and other key management personnel amounted to RMNil and RM147,700 (30.4.2012: RM113,858 and RM257,332; 1.5.2011: RM157,932 and RM366,763) respectively.

Freehold buildings of a subsidiary with net carrying amount of RM4,704,842 (30.4.2012: RM4,811,933; 1.5.2011: RM4,919,024) are pledged to licensed banks for banking facilities granted to a subsidiary.

Capital work-in-progress of a subsidiary which consists of office building under construction with net carrying amount of RMNil (30.4.2012: 3,500,900; 1.5.2011: RM3,343,187) are pledged to a licensed bank for banking facilities granted to a subsidiary.

Included in capital work-in-progress is term loan interest capitalised amounted to RMNil (30.4.2012: RM284,977; 1.5.2011: RM 22,471).

5. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		
	30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Freehold land, at cost	19,217,214	-	-

The freehold land has been pledged to a licensed bank for credit facility granted to a subsidiary.

6. DEVELOPMENT EXPENDITURE

	Group	
	30.4.2013	30.4.2012
	RM	RM
At beginning of financial year	5,247,475	17,984,035
Transferred to assets held for sale (Note 18)	-	(11,819,933)
	5,247,475	6,164,102
Less: Amortisation during the financial year	(916,626)	(916,627)
At end of financial year	4,330,849	5,247,475

With regards to the assessments of value-in-use of this development expenditure, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values to differ materially from its recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

7. INTANGIBLE ASSETS

	License	Computer software	Total
	RM	RM	RM
Group			
At 1.5.2011/30.4.2012	1,169,013	-	1,169,013
Additions	-	23,492,450	23,492,450
Transferred from property, plant and equipment	-	5,273,110	5,273,110
Transferred to assets held for sale (Note 18)	(1,169,013)	-	(1,169,013)
At 30.4.2013	-	28,765,560	28,765,560
Less: Amortisation			
At 1.5.2011/30.4.2012	-	-	-
Amortisation during the financial year	-	(2,628,114)	(2,628,114)
At 30.4.2013	-	(2,628,114)	(2,628,114)
Net carrying amount			
At 30.4.2013	-	26,137,446	26,137,446
At 1.5.2011/30.4.2012	1,169,013	-	1,169,013

The license refers to an exclusive perpetual license in the content management solution known as "AlChemist" with indefinite lifespan.

The computer software, that are not an integral part of the related hardware, are amortised on a straight-line basis over the estimated useful lives of 5 years.

7. INTANGIBLE ASSETS (CONT'D)

A 1% difference in the expected useful lives of the computer software from the management estimates would result in approximately 2% (30.4.2012: Nil) variance in the Group's profit for the financial year.

8. GOODWILL ON CONSOLIDATION

	Group	
	30.4.2013	30.4.2012
	RM	RM
At beginning of financial year	920,473	920,473
Less: Impairment loss		
Recognised in profit or loss during the year	(920,473)	-
At end of financial year	-	920,473

The goodwill represents the excess of the purchase consideration paid for the shares in the subsidiaries over the Group's interest in the fair value of the identifiable net assets of the subsidiaries acquired. For purposes of impairment testing, the carrying amount of goodwill is allocated to the Group's respective cash generating units which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of the goodwill is based on value-in-cash calculations, using pre-tax cash flow projections based on financial budgets covering a period of 5 years.

The key assumptions used in value in use calculations were:-

Revenue annual growth rate	10% - 15%
Expenses annual increment rate	5%
Pre-tax discount rate	10%

The above key assumptions were based on past performance and its expectations of future trends in the industry and expected market developments. The discount rate used is pre-tax and reflect the risks relating to the cash generating units and is estimated based on the current market assessment of time-value of money. The key assumptions are sensitive to the changes in percentage point in the discount rate used and future planned revenue not materialising.

9. INVESTMENT IN SUBSIDIARIES

	Company	
	30.4.2013	30.4.2012
	RM	RM
At beginning of financial year	9,400,002	9,400,000
Additions	500,098	2
At end of financial year	9,900,100	9,400,002

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of company	Effective interest 30.4.2013 %	30.4.2012 %	1.5.2011 %	Principal activities	Country of incorporation
Nextnation Network Sdn. Bhd.	100	100	100	Programming services, software development, internet consulting and provision of information technology services	Malaysia
Gates Mobility (Holdings) Sdn. Bhd.	100	100	100	Property investment	Malaysia
Nextnation Datacity Sdn. Bhd.	100	100	-	Dormant	Malaysia
Nextgram Land Sdn. Bhd.	100	-	-	Dormant	Malaysia
Nextgram Resources Sdn. Bhd.	100	-	-	Dormant	Malaysia
Held by Nextnation Network Sdn. Bhd.					
Dubaitech Marketing Sdn. Bhd.	100	100	100	Content aggregator	Malaysia
Godynamic Investments Limited[x]	51	51	51	Investment holding	British Virgin Island
Kotaemas Edaran Sdn. Bhd.	100	100	100	Content aggregator	Malaysia
Nextnation Collections Sdn. Bhd.	100	100	100	Development and distribution of retail mobile application solutions	Malaysia
Nextnation Interactive Sdn. Bhd. #^	-	100	100	Provision of business development and strategic partnership activities	Malaysia
Taffu Media Sdn. Bhd.	100	100	100	Provision of media advertising, publishing and printing services	Malaysia
Usape Nelson Wireless Sdn. Bhd.	100	100	100	Content aggregator	Malaysia
Held by Gates Mobility (Holdings) Sdn. Bhd.					
Gates Mobility Sdn. Bhd.	100	100	100	Investment holding	Malaysia
Held by Gates Mobility Sdn. Bhd.					
Gates Connectivity Sdn. Bhd.	100	100	100	Provision of software development services	Malaysia

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of company	Effective interest 30.4. 2013 %	30.4. 2012 %	1.5. 2011 %	Principal activities	Country of incorporation
Held by Gates Connectivity Sdn. Bhd.					
Tech Bonanza Sdn. Bhd.	100	100	100	Provision of multiple gateways for technology enabling and content provisioning services	Malaysia
Held by Taffu Media Sdn. Bhd.					
Divamas Promotions Sdn. Bhd.	100	100	100	Provision of media advertising, publishing and printing services	Malaysia
Nextnation Services Sdn. Bhd.	100	100	100	Company secretarial services	Malaysia
Pudong Oversea Capital Sdn. Bhd.	100	100	100	Provision of media advertising, publishing and printing services	Malaysia
Held by Godynamic Investment Limited					
Elasitas Technologies Limited#x	87	87	87	Investment holding	British Virgin Island
PT Flower Star Media@	84	84	84	Mobile application service provider	Indonesia
PT Semesta Tirta Antara Raya@	84	84	84	Mobile application service provider	Indonesia
Vinamob Venture Company Limited*#	100	100	100	Mobile application service provider	Vietnam
Vision Phoenix Group Limited x	100	100	100	Mobile application service provider	British Virgin Island
Held by Elasitas Technologies Limited					
PT Elasitas Multi Kreasi@	99	99	99	Mobile application service provider	Indonesia

@ Audited by member firm of Grant Thornton International Ltd.

* Not audited by SJ Grant Thornton

x Not required to be audited in the country of incorporation. The Directors have consolidated the results of these subsidiaries based on its management financial statements which have been audited by SJ Grant Thornton for consolidation purpose

^ Disposed during the financial year

Reclassified to non-current asset held for sale as disclosed in Note 18 to the financial statements

10. INVESTMENT IN ASSOCIATES

	Group 30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Unquoted shares, at cost	93,713	240,633	93,713
Share of results of an associate	(93,713)	(93,713)	(93,713)
Transferred to assets held for sale (Note 18)	-	(146,920)	-
	-	-	-
Less: Impairment loss			
At 1 May	-	-	-
Recognised in profit or loss	-	146,920	-
Transferred to assets held for sale (Note 18)	-	(146,920)	-
At 30 April	-	-	-
	-	-	-
Represented by:-			
Share of net assets	-	-	-

Details of the associates are as follow:-

Name of company	Effective interest 30.4.2013 %	30.4.2012 %	1.5.2011 %	Principal activities	Country of incorporation
Held by Godynamic Investments Limited					
Siamtouch Wireless Ltd. *	49	49	49	Mobile application service provider	Thailand
Held by Nextnation Interactive Sdn. Bhd.					
PT Nextnation Prisma*#^	-	40	80	Provision of business development and strategic partnerships activities	Indonesia

* Not audited by SJ Grant Thornton

\# Reclassified to assets held for sale as disclosed in Note 18 to the financial statements.

^ Disposed during the financial year

11. NON-CURRENT RECEIVABLES

The non-current receivables are unsecured, interest free and with fixed repayment terms as follows:-

(a) Monthly repayment of RM75,000 from beginning of August 2011 till December 2011; and
(b) Monthly repayment of RM100,000 from beginning of January 2012 till the full clearance from the vendor.

	Group		
	30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Non-current receivables	-	3,989,286	-
Fair value loss	-	(774,412)	-
Transferred to assets held for sale (Note 18)	-	(3,214,874)	-
	-	-	-

12. TRADE RECEIVABLES

	Group		
	30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Trade receivables	54,675,509	40,837,281	29,889,778
Transferred to assets held for sale (Note 18)	(2,056,170)	(336,407)	(2,577,687)
	52,619,339	40,500,874	27,312,091
Less: Impairment loss			
At 1 May	(185,885)	(24,468)	(202)
Recognised in profit or loss	(18,656)	(185,885)	(24,266)
Translation difference	639	-	-
Transferred to assets held for sale (Note 18)	-	24,468	-
At 30 April	(203,902)	(185,885)	(24,468)
	52,415,437	40,314,989	27,287,623

The normal credit terms granted by the Group to the trade receivables range from 30 to 150 days (30.4.2012 and 1.5.2011: 30 to 90 days).

13. OTHER RECEIVABLES

	Group		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Non-trade receivables	3,270,281	8,659,319	8,258,557
Deposits for performance guarantee	-	-	5,991,317
Deposits for acquisition of assets	11,650,000*	2,695,054	-
Sundry deposits	256,861	375,289	712,953
Prepayments	498,763	941,771	2,214,483
Transferred to assets held for sale	(529,303)	(1,619,432)	(548,367)
	15,146,602	11,052,001	16,628,943
Less: Impairment losses			
At 1 May	(12,471)	-	-
Recognised in profit or loss	(255,993)	(12,471)	-
Transfer from amount due from an associate	(627,000)	-	-
Translation difference	7,661	-	-
At 30 April	(887,803)	(12,471)	-
	14,258,799	11,039,530	16,628,943

* Included are deposits amounted to RM3,200,000 and RM8,450,000 paid for acquisition of office building and investment in PT Goldchild Integritas Abadi as disclosed in Note 41(g) and 41(h) to the financial statements respectively.

	Company		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Prepayments	1,500	-	-

14. AMOUNT DUE FROM/TO SUBSIDIARIES

	Company		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Amount due from subsidiaries	94,093,103	72,085,128	39,836,710
Less: Impairment losses			
At 1 May	(39,346,710)	-	-
Recognised in profit or loss	(953,338)	(39,346,710)	-
At 30 April	(40,300,048)	(39,346,710)	-
	53,793,055	32,738,418	39,836,710

Amount due from/to subsidiaries is non-trade related, unsecured, bears no interest and repayable on demand.

15. AMOUNT DUE FROM/TO ASSOCIATES

	Group		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Amount due from associates			
- Trade	586,014	355,976	-
- Non-trade	1,884,944	2,644,729	1,820,063
	2,470,958	3,000,705	1,820,063
Transferred to assets held for sale (Note 18)	-	(124,320)	-
	2,470,958	2,876,385	1,820,063
Less: Impairment losses			
At 1 May	(647,315)	-	-
Recognised in profit or loss	-	(647,315)	-
Transfer to other receivable	627,000	-	-
At 30 April	(20,315)	(647,315)	-
	2,450,643	2,229,070	1,820,063

Amount due from/to associates is unsecured, bears no interest and repayable on demand.

16. FIXED DEPOSITS WITH A LICENSED BANK

Group

The fixed deposits are pledged to a licensed bank for bank guarantee and other banking facilities granted to subsidiaries as disclosed in Note 23 to the financial statements.

Fixed deposits with a licensed bank of RM20,000 (30.4.2012 and 1.5.2011: RMNil) are held in trust by a Director.

The effective interest rate of fixed deposits with a licensed bank is at 3.15% (30.4.2012 and 1.5.2011: 3.15%) per annum.

17. CASH AND CASH EQUIVALENTS

	Group		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Cash and bank balances	3,789,356	4,375,094	2,328,645
Cash and bank balances classified as assets held for sale (Note 18)	1,178,036	49,069	101,832
	4,967,392	4,424,163	2,430,477
Bank overdraft	(1,444,144)	(1,501,714)	(853,818)
	3,523,248	2,922,449	1,576,659

17. CASH AND CASH EQUIVALENTS (CONT'D)

	Company		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Cash and bank balances	176,168	37,228	37,569

The bank overdraft is secured by way of security as disclosed in Note 23 to the financial statements.

Interest rate of bank overdraft is charged at 8.10% (30.4.2012: 8.10%; 1.5.2011: 7.85%) per annum.

18. ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

The major classes of assets and liabilities classified as held for sale on the consolidated statement of financial position were as follow:-

	Group		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Assets			
Property, plant and equipment	595,194	37,150	379,055
Development expenditures	-	11,819,933	-
Non-current receivables	-	3,214,874	-
Intangible asset	1,169,013	-	-
Trade receivables	2,364,451	311,939	2,577,687
Other receivables	533,794	1,619,432	548,367
Amount due from an associate	-	124,320	-
Cash and bank balances	1,178,036	49,069	101,832
	5,840,488	17,176,717	3,606,941
Less: Impairment loss	-	(979,351)	-
	5,840,488	16,197,366	3,606,941
Freehold buildings	-	-	3,168,721
	5,840,488	16,197,366	6,775,662
Liabilities			
Finance lease payables	21,428	79,669	-
Retirement benefits	78,578	-	-
Trade payables	1,676,267	262,179	3,100,274
Other payables	127,412	2,227,518	322,159
	1,903,685	2,569,366	3,422,433

18. ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE (CONT'D)

(a) On 4 May 2011, Nextnation Interactive Sdn. Bhd. ("NISB") had entered into a Management Buyout Agreement to dispose its 40% equity interest, representing 40,000 ordinary shares of PT Nextnation Prisma ("PTNP") to Hendra Widjaja and Rafli bin Ridwan for a total consideration of RM3,553,700. Upon completion of the disposal, PTNP will become an associate of NISB. The disposal is to raise the working capital of the subsidiary and it has been completed on 4 May 2011.

(b) On 24 May 2011, Nextnation Network Sdn. Bhd. ("NNSB") had entered into 6 sets of Sale and Purchase Agreements with the following Purchasers to dispose of 2 units of retail lots and 4 units of office lots for a total cash consideration of RM4,500,000:

(i) Stickerportal Sdn. Bhd.;
(ii) Avidco Asia Pacific Sdn. Bhd.;
(iii) Neo Khoon Chuan;
(iv) Leong Wai Kuan; and
(v) Sim Kian Boon and Tan Suet Leng.

The transactions have been completed in prior year.

(c) On 16 July 2012, Godynamic Investments Ltd. ("GIL") had entered into a Letter of Intent to dispose its 100% equity interest, representing 100,000 ordinary shares of Vinamob Venture Company Limited to Lifenote Inc. for a total consideration of USD200,000 (approximately RM628,000). The disposal is to raise working capital of the subsidiary and it has yet to be completed as at the date of this report.

(d) On 1 August 2012, NNSB had entered into a Share Sale and Purchase Agreement to dispose its 100% equity interest, representing 100,000 ordinary shares of NISB to Vision Eagle Holdings Limited for a total consideration of RM13,000,000. The disposal is to raise working capital of the subsidiary and it has been completed on 26 April 2013.

(e) On 29 April 2013, GIL had entered into a Sale and Purchase Agreement to dispose 57 ordinary shares of USD1.00 each in the capital of its subsidiary Elasitas Technology Limited, representing 60% of equity interest for a total cash consideration of USD2.6 million (approximately RM7.97 million). The disposal is to raise working capital of the subsidiary and it has yet to be completed as at the date of this report.

19. SHARE CAPITAL

	Group and Company	
	Number of shares	RM
Authorised:-		
Ordinary shares of RM0.10 each		
At 1.5.2011/30.4.2012/30.4.2013	2,000,000,000	200,000,000
Issued and fully paid:-		
Ordinary shares of RM0.10 each		
At 1.5.2011	415,800,000	41,580,000
Issued during the financial year	41,580,000	4,158,000
At 30.4.2012	457,380,000	45,738,000
Issued during the financial year	196,673,400	19,667,340
At 30.4.2013	654,053,400	65,405,340

20. RESERVES

Non-distributable

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Share premium				
At beginning of financial year	6,182,540	5,558,840	6,182,540	5,558,840
Issuance of shares	3,016,863	623,700	3,016,863	623,700
Issuance of warrants	(4,380,405)	-	(4,380,405)	-
Share issuance expenses	(267,557)	-	(267,557)	-
At end of financial year	4,551,441	6,182,540	4,551,441	6,182,540
Warrant reserve				
At beginning of financial year	-	-	-	-
Pursuant to bonus issue	731,808	-	731,808	-
Pursuant to private placement	3,648,597	-	3,648,597	-
At end of financial year	4,380,405	-	4,380,405	-
Translation reserve				
At beginning of financial year (restated)	(229,986)	-	-	-
Foreign currency translation	(64,864)	(229,986)	-	-
At end of financial year	(294,850)	(229,986)	-	-
Total reserves	8,636,996	5,952,554	8,931,846	6,182,540

20. RESERVES (CONT'D)

Share premium

Share premium represents the excess of the consideration received over the nominal value of shares issued by the Company. It is not to be distributed by way of cash dividends and its utilisation shall be in manner as set out in Section 60(3) of the Companies Act, 1965.

Warrants reserve

On 17 May 2012, the Company issued 45,738,000 warrants pursuant to the bonus issue of 1 warrant for every 10 existing ordinary shares held in the Company. The warrants are listed on the ACE Market of Bursa Malaysia Securities on 23 May 2012.

During the financial year, the Company issued the following warrants pursuant to the private placement of 3 warrants for every 2 new ordinary shares subscribed:

	Issue date	Number of warrants	Listing date
1st tranche	15 May 2012	48,024,900	23 May 2012
2nd tranche	28 May 2012	42,000,000	6 June 2012
3rd tranche	13 June 2012	36,000,000	19 June 2012
4th tranche	21 June 2012	44,250,000	29 June 2012
5th tranche	17 July 2012	35,546,100	23 July 2012
		205,821,000	

All the warrants issued are constituted by a deed poll dated 9 May 2012.

The main features of the warrants are as follows:

(i) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of RM0.10 each in the Company at an exercise price of RM0.10 per ordinary share.

(ii) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.

(iii) The warrants shall be exercisable at any time within the period commencing on and including the date of issue of the warrants until the last market day prior to the tenth anniversary of the date of issue of the warrants.

(iv) All new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

20. RESERVES (CONT'D)

Warrants reserve (cont'd)

The main features of the warrants are as follows (cont'd):

(v) At the expiry of the exercise period, any warrants which have not been exercised will lapse and cease to be valid for any purpose.

The warrants reserve is in respect of the allocated fair value of the 251,559,000 free warrants issued and it is set-off against share premium. No warrant was exercised during the financial year.

Translation reserve

The translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

The amount for translation reserve was restated in accordance with MFRS 1 First Time Adoption as disclosed in Note 42 to the financial statements.

21. RETAINED EARNINGS/(ACCUMULATED LOSSES)

The Company has sufficient tax exempt income and tax credit under Section 108 of the Income Tax Act, 1967 to frank dividend out of its entire retained earnings or to the extent of the current year profit if the retained earnings is not available.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit amounting to RM139,000 (30.4.2012 and 1.5.2011: RM139,000) as at 30 April 2013 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 30 April 2014, whichever is earlier.

The Company did not elect to move to the single tier system. The Company is therefore allowed to use the credit balance for the purpose of dividend distribution during the transitional period of 6 years until 30 April 2014.

22. FINANCE LEASE PAYABLES

	Group		
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Future minimum lease payments			
- not later than 1 year	156,623	366,077	435,133
- between 1 to 5 years	390,860	588,633	995,442
- later than 5 years	46,305	2,769	35,776
Transferred to liabilities directly associated with assets held for sale (Note 18)	(23,440)	(88,509)	-
	570,348	868,970	1,466,351
Future finance charges on finance lease liabilities	(59,578)	(95,078)	(136,646)
Transferred to liabilities directly associated with assets held for sale (Note 18)	2,012	8,840	-
Present value of finance lease liabilities	512,782	782,732	1,329,705
Present value of finance lease liabilities			
- not later than 1 year	127,898	306,803	371,722
- between 1 to 5 years	342,905	475,929	923,223
- later than 5 years	41,979	-	34,760
	512,782	782,732	1,329,705
Analysed as:-			
Due within 12 months	127,898	306,803	371,722
Due after 12 months	384,884	475,929	957,983
	512,782	782,732	1,329,705

Interest is charged at rates range from 2.1% to 5.4% (30.4.2012 and 1.5.2011: 2.1% to 5.4%) per annum.

23. TERM LOANS

	Group 30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Secured:			
Term loan I repayable over 120 equal monthly installment of RM14,400 commencing from March 2007	543,316	655,598	761,203
Term loan II repayable over 240 equal monthly installment of RM11,171 commencing from March 2008	1,311,430	1,366,880	1,420,225
Term loan III repayable over 240 equal monthly installment of RM11,171 commencing from March 2008	1,311,422	1,367,144	1,420,215
Term loan IV repayable over 45 equal monthly installment of RM222,222 with three (3) months grace period commencing from June 2007	-	-	1,194,756
Term loan V repayable over 240 equal monthly installment of RM17,880 commencing from February 2008	-	-	2,689,734
Term loan VI repayable over 96 equal monthly installment of IDR118,436,434 commencing from May 2011	-	2,336,074	2,630,757
Term loan VII repayable over 120 equal monthly installment of RM168,358 commencing from February 2013	14,628,900	-	-
	17,795,068	5,725,696	10,116,890
Repayment term:			
- not later than 1 year	1,498,753	485,188	1,837,201
- between 1 to 5 years	7,981,359	2,282,769	2,701,303
- later than 5 years	8,314,956	2,957,739	5,578,386
	17,795,068	5,725,696	10,116,890
Analysed as:			
- Current	1,498,753	485,188	1,837,201
- Non-current	16,296,315	5,240,508	8,279,689
	17,795,068	5,725,696	10,116,890

23. TERM LOANS (CONT'D)

Term loans and bank overdraft of the Group are secured by:-

(a) lien on fixed deposits of a subsidiary;
(b) charge on certain landed properties and a land held for property development of subsidiaries;
(c) first party open monies charge; and
(d) corporate guarantee from the Company.

The term loans bear interest at rates range from 4.60% to 10.20% (30.4.2012 and 1.5.2011: 4.60% to 10.20%) per annum.

24. RETIREMENT BENEFITS

		Group	
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Present value of unfunded defined benefit obligations	-	109,530	-

Changes in the present value of defined benefit obligations are as follows:-

	Group	
	2013	2012
	RM	RM
Defined benefit obligations		
At beginning of financial year	109,530	-
(Reversal)/ Provision of current service costs	(24,314)	114,232
Translation differences	(6,638)	(4,702)
Transferred to liabilities directly associated with assets held for sale (Note 18)	(78,578)	-
At end of financial year	-	109,530

The principal assumptions used to determine defined benefit obligations are shown below:

		Group	
	30.4.2013	30.4.2012	1.5.2011
Retirement age	-	55 years old	-
Discount rate	-	9%	-
Future salary increases	-	10%	-

The assumptions were used to determine defined benefit obligations for the reporting years under review and should be regarded as management's best estimate because the actual outcome may vary. Estimation uncertainties exist, which may vary significantly in future appraisals of the Group's defined benefit obligations.

25. TRADE PAYABLES

	Group 30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Trade payables	12,498,841	10,689,443	10,091,842
Transferred to liabilities directly associated with assets held for sale (Note 18)	(1,460,770)	(262,179)	(3,100,274)
	11,038,071	10,427,264	6,991,568

The normal credit terms granted by the trade payables range from 30 to 90 days (30.4.2012 and 1.5.2011: 30 to 90 days).

26. OTHER PAYABLES

	Group 30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Accruals	605,285	342,951	1,165,804
Deposit received	3,000	-	-
Non-trade payables	907,611	7,158,544	3,119,998
Transferred to liabilities directly associated with assets held for sale (Note 18)	(85,493)	(2,227,518)	(322,159)
	1,430,403	5,273,977	3,963,643

	Company 30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Accruals	68,000	58,951	58,350
Non-trade payables	5,369	-	22,316
	73,369	58,951	80,666

27. AMOUNT DUE TO A DIRECTOR

The amount due to a Director was non-trade related, unsecured, bears no interest and repayable on demand.

28. REVENUE

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Services rendered	79,677,107	62,900,550	-	-
Dividend income from a subsidiary	-	-	-	28,000,000
	79,677,107	62,900,550	-	28,000,000

29. COST OF SALES

	Group 2013 RM	Group 2012 RM
Cost of services rendered	63,862,882	46,569,229

30. FINANCE COSTS

	Group 2013 RM	Group 2012 RM
Interest expenses on:-		
- bank overdraft	114,626	105,049
- term loans	754,735	339,146
- finance leases	36,366	54,243
Commitment fees	11,180	604
	916,907	499,042

31. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting) amongst others, the following items:-

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
After charging:				
Amortisation of development expenditure	916,626	916,627	-	-
Amortisation of intangible assets	2,628,114	-	-	-
Auditors' remuneration				
- statutory auditors	149,000	121,000	28,000	22,000
- other external auditors	56,760	58,509	-	-
- underprovision in prior year	-	10,800	-	-
- other services	80,300	37,708	52,000	23,400

31. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax has been determined after charging/(crediting) amongst others, the following items (cont'd):-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
After charging (cont'd):				
Bad debts written off	-	97,426	-	-
Depreciation of property, plant and equipment	2,111,115	2,340,000	-	-
Directors' remuneration				
- Fee	96,000	96,000	96,000	96,000
- Other emoluments	530,630	409,880	8,800	8,800
Fair value adjustment on non-current receivables	-	774,412	-	-
Impairment loss on receivables	274,649	845,671	-	39,346,710
Impairment loss on goodwill	920,473	-	-	-
Impairment on assets and liabilities held for sale	-	979,351	-	-
Impairment on investment in associates	-	146,920	-	-
Property, plant and equipment written off	1,945	334	-	-
Realised loss on foreign exchange	-	100,809	-	-
Rental of				
- premises	232,176	275,548	-	-
- others	8,382	9,724	-	-
(Reversal)/Provision for retirement benefits	(24,314)	114,232	-	-
Unrealised loss on foreign exchange	1,296,995	508,001	-	-
After crediting:				
Gain on disposal of property, plant and equipment	(1,111,925)	(34,987)	-	-
Gain on disposal of assets and liabilities held for sale	(1,954,055)	(4,700,471)	-	-
Interest income	(34,668)	(141,935)	(7,718)	(1,293)
Rental income	(4,000)	-	-	-
Realised gain on foreign exchange	(412,454)	-	-	-
Waiver of debts	(1,421,979)	-	-	-

31. PROFIT/(LOSS) BEFORE TAX (CONT'D)

The details of Directors' remuneration of the Group and of the Company are as follows:-

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Executive Directors				
- Salaries, bonus and allowances	462,400	357,000	-	-
- Contribution to defined contribution plan	55,020	42,840	-	-
- Other benefits	4,410	1,240	-	-
	521,830	401,080	-	-
Non-Executive Directors				
- Fee	96,000	96,000	96,000	96,000
- Meeting allowance	8,800	8,800	8,800	8,800
	104,800	104,800	104,800	104,800
Total	626,630	505,880	104,800	104,800

32. TAX EXPENSE

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Malaysian income tax:				
- Current year provision	7,000	-	-	-
- Over provision in prior year	(417)	-	-	-
	6,583	-	-	-

Malaysian income tax is calculated at the statutory tax rate of 25% of the estimated taxable profits for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax provision of the Group is lower than the statutory tax rate. The disproportionate tax rate was a result of pioneer status enjoyed by a wholly-owned subsidiary of the Company, Nextnation Network Sdn. Bhd., thus resulting in its profit being exempted from tax. The subsidiary has been granted a pioneer status which is effective from 26 May 2004 to 25 May 2014.

32. TAX EXPENSE (CONT'D)

However, the above amounts are subject to the approval by the Inland Revenue Board of Malaysia.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) before tax	6,593,347	6,897,403	(740,470)	(11,858,618)
Income tax at rate of 25%	1,648,337	1,724,351	(185,118)	(2,964,655)
Income not subject to tax	(2,644,726)	(2,757,597)	-	(7,000,000)
Non-allowable expenses	539,389	926,996	185,118	9,964,655
Deferred tax assets not recognised	464,000	106,250	-	-
Over provision in previous financial year	(417)	-	-	-
	6,583	-	-	-

As at reporting date, the amount of deferred tax asset which is not recognised in the Group's financial statements is as follows:-

	30.4.2013 RM	30.4.2012 RM	1.5.2011 RM
Unutilised capital allowance	55,000	55,000	40,000
Unabsorbed tax losses	26,168,000	24,311,000	23,901,000
	26,223,000	24,366,000	23,941,000

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

33. EARNINGS PER SHARE

Group

Basic earnings per ordinary shares

Basic earnings per share are calculated by dividing profit for the financial year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2013	Group 2012
Profit for the financial year attributable to the owners of the Company (RM)	7,357,534	7,977,852
Weighted average number of ordinary shares in issue (unit)	580,796,511	421,381,973
Basic earnings per share (sen)	1.27	1.89

Diluted earnings per ordinary shares

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e., warrants.

	Group 2013	Group 2012
Profit for the financial year attributable to the owners of the Company (RM)	7,357,534	*
Weighted average number of ordinary shares (basic) (unit)	580,796,511	*
Effect of warrants (unit)	2,920,513	*
Weighted average number of ordinary shares (diluted) (unit)	583,717,024	*
Diluted earnings per ordinary shares (sen)	1.26	*

* There is no dilutive potential equity instruments in issue in prior year that gave diluted effect to the earnings per share.

34. EMPLOYEE BENEFITS EXPENSE

	Group	
	2013	2012
	RM	RM
Directors' remuneration	530,630	409,880
Salaries, bonus and allowances	3,006,291	5,210,744
Defined contribution plan	179,182	317,975
Other benefits	70,235	135,093
	3,786,338	6,073,692

35. CONTINGENT LIABILITY

		Company	
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Secured:			
Corporate guarantee granted to subsidiaries	19,239,212	4,891,336	8,339,951

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the financial institutions requiring parent guarantee as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

36. RELATED PARTY DISCLOSURES

(a) Related party transaction

	Company	
	2013	2012
	RM	RM
Dividend income from a subsidiary	-	28,000,000

(b) Related party balances

The outstanding balances arising from the related party transactions at the reporting date is disclosed in Note 14, 15, and 27 to the financial statements.

36. RELATED PARTY DISCLOSURES (CONT'D)

(c) Key management personnel compensation

The key management personnel compensation is as follows::-

	Group	
	2013	2012
	RM	RM
Salaries and other short-term employee benefits	758,450	798,410
Defined contribution plan	90,480	96,180
Other benefits	5,650	3,410
	854,580	898,000

Key management personnel are those persons including Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

The Directors' remuneration is disclosed in Note 31 to the financial statements.

37. CAPITAL COMMITMENT

Capital expenditure not provided for in the financial statements are as follows:-

		Group	
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Authorised and contracted for:			
- Property, plant and equipment	60,800,000	16,670,796	-
- Intangible assets	-	3,894,400	-
- Available-for-sale financial assets	4,970,481	-	-
Authorised but not contracted for:			
- Intangible assets	-	7,987,626	-
	65,770,481	28,552,822	-

38. OPERATING SEGMENT

Business segments

For the management purposes, the Group is organised into 2 business units based on the place of the operations, which comprises the following:

(a) Malaysia – home country
(b) Overseas – consists of Indonesia and Thailand

38. OPERATING SEGMENT (CONT'D)

Business segments (cont'd)

Management monitors the operating results to its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on a negotiated basis in a manner similar to transactions with third parties.

Group

	Note	Malaysia RM	Overseas RM	Eliminations RM	Group RM
2013					
Revenue					
External		43,518,485	37,148,766	(990,144)	79,677,107
Results					
Interest income		26,644	8,024	-	34,668
Finance costs		(790,662)	(115,065)	-	(905,727)
Depreciation of property, plant and equipment		(1,752,130)	(358,985)	-	(2,111,115)
Amortisation of development expenditure		(916,626)	-	-	(916,626)
Amortisation of intangible assets		(2,628,114)	-	-	(2,628,114)
Other non-cash (expenses)/income	i	649,581	1,368,630	-	2,018,211
Taxation		(6,583)	-	-	(6,583)
Segment profit/(loss)		7,769,228	(1,182,464)	-	6,586,764
Assets					
Additions to non-current assets	ii	43,043,412	3,719	-	43,047,131
Segment assets	iii	191,930,114	20,440,292	(71,554,990)	140,815,416
Liabilities					
Segment liabilities	iii	(58,358,028)	(75,563,743)	168,053,549	34,131,778

38. OPERATING SEGMENT (CONT'D)

Business segments (cont'd)

Group (cont'd)

	Note	Malaysia RM	Overseas RM	Eliminations RM	Group RM
2012					
Revenue					
External		31,040,370	33,548,996	(1,688,816)	62,900,550
Results					
Interest income		17,926	124,009	-	141,935
Finance costs		(489,339)	(9,099)	-	(498,438)
Depreciation of property, plant and equipment		(1,879,590)	(460,410)	-	(2,340,000)
Amortisation of development expenditure		(916,627)	-	-	(916,627)
Other non-cash (expenses)/income	i	(69,221,887)	(226,894)	70,717,892	1,269,111
Segment profit/(loss)		(33,322,965)	(1,518,173)	41,738,541	6,897,403
Assets					
Additions to non-current assets	ii	5,426,762	1,026,760	-	6,453,522
Segment assets	iii	126,340,286	25,988,950	(46,618,270)	105,710,966
Liabilities					
Segment liabilities	iii	79,678,826	79,608,103	(131,578,025)	27,708,904

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

i. Other non-cash (expenses)/income consist of the following items:

	Group 2013 RM	Group 2012 RM
Bad debts written off	-	(97,426)
Fair value adjustment on non-current receivables	-	(774,412)
Gain on disposal of assets and liabilities held for sale	1,954,055	4,700,471
Gain on disposal of property, plant and equipment	1,111,925	34,987
Impairment loss on goodwill	(920,473)	-
Impairment loss on receivables	(274,649)	(845,671)
Impairment on investment in an associates	-	(146,920)
Impairment on assets and liabilities held for sales	-	(979,351)
Property, plant and equipment written off	(1,945)	(334)
Reversal/ (Provision) for retirement benefits	24,314	(114,232)
Unrealised loss on foreign exchange	(1,296,995)	(508,001)
Waiver of debts	1,421,979	-
	2,018,211	1,269,111

38. OPERATING SEGMENT (CONT'D)

Business segments (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):

ii. Additions to non-current assets consist of:

	2013 RM	2012 RM
Property, plant and equipment	337,467	6,453,522
Land held for property development	19,217,214	-
Intangible assets	23,492,450	-
	43,047,131	6,453,522

iii. Inter-segment assets and liabilities are eliminated on consolidation.

Geographical information

Revenue and non-current assets by geographical location are as follows:

	Group			
	Revenue		Non-current assets	
	2013 RM	2012 RM	2013 RM	2012 RM
Malaysia	12,031,861	21,804,262	29,138,105	11,196,864
United States of America	-	-	31,955,631	12,268,328
Indonesia	67,645,246	40,118,823	346,279	6,925,681
Overseas	-	977,465	-	-
	79,677,107	62,900,550	61,440,015	30,390,873

Non-current assets information presented above consist of the following items as presented in the statements of financial position:

	Group	
	2013 RM	2012 RM
Property, plant and equipment	11,754,506	23,053,912
Land held for property development	19,217,214	-
Development expenditure	4,330,849	5,247,475
Intangible assets	26,137,446	1,169,013
Goodwill on consolidation	-	920,473
	61,440,015	30,390,873

38. OPERATING SEGMENT (CONT'D)

Information about major customers

Revenue from two (30.4.2012 and 1.5.2011: single) major customers contributed 70% (30.4.2012: 19%; 1.5.2011: 11%) arising from Malaysia Segment, and two major customers contributed 63% (30.4.2012: 41%; 1.5.2011: Nil) arising from Overseas Segment.

39. FINANCIAL INSTRUMENTS

39.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified along industry, product and geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms is subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows:-

Receivables

As at the end of reporting period, the maximum exposure to credit risk arising from receivables limited to the carrying amounts in the statements of financial position.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk and are monitored individually.

The credit risk concentration profile of the Group as at end of the reporting date is as follows:

			Group			
	30.4.2013		30.4.2012		1.5.2011	
	RM	%	RM	%	RM	%
Trade receivables by country:						
Malaysia	40,748,606	77.7	23,972,162	59.5	16,766,406	61.4
Indonesia	11,666,831	22.3	16,342,827	40.5	9,913,405	36.3
Vietnam	-	-	-	-	607,812	2.3
	52,415,437	100.0	40,314,989	100.0	27,287,623	100.0

In respect of trade receivables, the Group has no any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristic other than 70% (30.4.2012: 60%; 1.5.2011: 24%) of the Group's trade receivables were due from two (30.4.2012: two; 1.5.2011: one) major customers.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Receivables (cont'd)

The ageing analysis of trade receivables is as follows:

	Gross	Individually impaired	Net
	RM	RM	RM
Group			
30.4.2013			
Not past due	17,752,097	-	17,752,097
Past due 0 – 30 days	7,343,805	-	7,343,805
Past due 31 – 60 days	5,705,797	-	5,705,797
Past due 61 – 90 days	2,166,466	-	2,166,466
Past due 91 – 120 days	1,650,891	-	1,650,891
More than 121 days	18,000,283	(203,902)	17,796,381
	52,619,339	(203,902)	52,415,437
30.4.2012			
Not past due	7,891,552	-	7,891,552
Past due 0 – 30 days	5,577,088	-	5,577,088
Past due 31 – 60 days	4,741,132	-	4,741,132
Past due 61 – 90 days	6,776,866	-	6,776,866
Past due 91 – 120 days	9,806,912	-	9,806,912
More than 121 days	5,707,324	(185,885)	5,521,439
	40,500,874	(185,885)	40,314,989
1.5.2011			
Not past due	4,910,582	-	4,910,582
Past due 0 – 30 days	5,049,728	-	5,049,728
Past due 31 – 60 days	5,023,760	-	5,023,760
Past due 61 – 90 days	2,011,368	-	2,011,368
Past due 91 – 120 days	10,288,391	-	10,288,391
More than 121 days	28,262	(24,468)	3,794
	27,312,091	(24,468)	27,287,623

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows (cont'd):-

Receivables (cont'd)

Trade and other receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's trade and other receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group's trade receivables of RM34,663,340 (30.4.2012: RM32,423,437 and 1.5.2011: RM22,377,041) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default and the Directors expect they are recoverable.

Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group and the Company provides unsecured loans and advances to subsidiaries and associate, and monitors the results of the subsidiaries and the associates regularly.

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries and the associates are not recoverable.

Deposits with licensed banks

The credit risk for deposits with licensed banks is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Financial guarantees

The maximum exposure to credit risk amounted to RM19,239,212 (30.4.2012: RM4,891,336; 1.5.2011: RM8,339,951) representing the outstanding banking facilities of subsidiaries as at the reporting date.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to the subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at end of the reporting period, there was no indication that any subsidiaries would default on repayment.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rates are exposed to a risk of changes in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date were as follow:

		Group	
	30.4.2013	30.4.2012	1.5.2011
	RM	RM	RM
Fixed rate instruments			
Financial asset			
- Fixed deposits with a licensed bank	616,801	578,527	562,223
Finance liabilities			
- Term loans	-	(2,336,074)	(2,630,757)
- Finance lease payables	(512,782)	(782,732)	(1,329,705)
	104,019	(2,540,279)	(3,398,239)
Floating rate instruments			
Finance liabilities			
- Term loans	(17,795,068)	(3,389,622)	(7,486,133)
- Bank overdraft	(1,444,144)	(1,501,714)	(853,818)
	(19,239,212)	(4,891,336)	(8,339,951)

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments:

The following table illustrates the sensitivity of profit for the financial year to a reasonably possible change in interest of rates by 50 basis points ("bp"), with all other variables remain constant:-

	Group Increase/(Decrease) in profit net of tax	
	50 bp increase	50 bp decrease
	RM	RM
30.4.2013	(96,196)	96,196
30.4.2012	(24,457)	24,457
1.5.2011	(41,700)	41,700

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due as a result of shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

The Group and the Company aim to maintain balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Liquidity risk (cont'd)

Group

The summarised table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations is as follow:

				Maturity		
				Current	**Non-current**	
	Carrying amount RM	Contractual Interest RM	Contractual cash flows RM	Less than 1 year RM	2 to 5 years RM	More than 5 years RM
30.4.2013						
Trade payables	11,038,071	-	11,038,071	11,038,071	-	-
Other payables	1,430,403	-	1,430,403	1,430,403	-	-
Financial lease payables	512,782	57,566	570,348	145,416	378,627	46,305
Term loans	17,795,068	7,191,816	24,986,884	2,443,272	9,695,652	12,847,960
Bank overdraft	1,444,144	-	1,444,144	1,444,144	-	-
	32,220,468	7,249,382	39,469,850	16,501,306	10,074,279	12,894,265

39. **FINANCIAL INSTRUMENTS (CONT'D)**

39.1 **Financial risk management (cont'd)**

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Liquidity risk (cont'd)

Group (cont'd)

The summarised table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations is as follow (cont'd):

				Maturity		
				Current	**Non-current**	
	Carrying amount RM	Contractual Interest RM	Contractual cash flows RM	Less than 1 year RM	2 to 5 years RM	More than 5 years RM
30.4.2012						
Trade payables	10,427,264	-	10,427,264	10,427,264	-	-
Other payables	5,273,977	-	5,273,977	5,273,977	-	-
Amount due to an associate	114,329	-	114,329	114,329	-	-
Amount due to a Director	1,203,394	-	1,203,394	1,203,394	-	-
Financial lease payables	782,732	86,238	868,970	348,929	520,041	-
Term loans	5,725,696	3,110,212	8,835,908	909,912	3,726,048	4,199,948
Bank overdraft	1,501,714	-	1,501,714	1,501,714	-	-
	25,029,106	3,196,450	28,225,556	19,779,519	4,246,089	4,199,948

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Liquidity risk (cont'd)

Group (cont'd)

The summarised table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations is as follow (cont'd):

				Maturity		
				Current	**Non-current**	
	Carrying amount	Contractual Interest	Contractual cash flows	Less than 1 year	2 to 5 years	More than 5 years
	RM	RM	RM	RM	RM	RM
1.5.2011						
Trade payables	6,991,568	-	6,991,568	6,991,568	-	-
Other payables	3,963,643	-	3,963,643	3,963,643	-	-
Amount due to a Director	1,203,392	-	1,203,392	1,203,392	-	-
Financial lease payables	1,329,705	136,646	1,466,351	435,133	995,442	35,776
Term loans	10,116,890	7,736,904	17,853,794	2,333,435	5,979,875	9,540,484
Bank overdraft	853,818	-	853,818	853,818	-	-
	24,459,016	7,873,550	32,332,566	15,780,989	6,975,317	9,576,260

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Liquidity risk (cont'd)

Company

The liquidity risk arises principally from its payables. The maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows is less than 1 year.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales, purchases, advances to/from intercompanies and borrowings that are denominated in a currency other than the Company's functional currency. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Indonesia Rupiah ("IDR").

The Group is also exposed to currency translation risk arising from its net investment in foreign operation in Indonesia. These investments are not hedged as currency position in IDR is considered to be long-term in nature.

Carrying amounts of the Group's exposure to foreign currency risk are as follows:-

	Group	
	USD	IDR
	RM	RM
30.4.2013		
Financial assets		
- Trade receivables	-	48,378,424
- Cash and bank balances	615,973	48,924
Financial liability		
- Trade payables	(5,151,704)	-
Net exposure	(4,535,731)	48,427,348
30.4.2012		
Financial assets		
- Trade receivables	7,043,043	29,833,038
- Cash and bank balances	1,534,289	1,515,606
Net exposure	8,577,332	31,348,644

39. FINANCIAL INSTRUMENTS (CONT'D)

39.1 Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(d) Foreign currency risk (cont'd)

Carrying amounts of the Group's exposure to foreign currency risk are as follows (cont'd):-

	Group	
	USD	IDR
	RM	RM
1.5.2011		
Financial assets		
- Trade receivables	6,409,145	3,394,230
- Cash and bank balances	263,747	51,285
Net exposure	6,672,892	3,445,515

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD and IDR against Ringgit Malaysia, with all other variable held constant:-

	Group Increase/ (Decrease) profit net of tax	
	2013	2012
	RM	RM
USD/RM		
- strengthened 2%	(90,715)	171,547
- weakened 2%	90,715	(171,547)
IDR/RM		
- strengthened 3%	1,452,821	940,459
- weakened 3%	(1,452,821)	(940,459)

The assumed movement in the above foreign currency rate for the foreign currency exchange rate sensitivity analysis is based on the prudent estimate of the current market environment.

The exposure to foreign exchange risk varies during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

39. FINANCIAL INSTRUMENTS (CONT'D)

39.2 Fair value of financial instruments

Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that re-priced to market interest rates on or near the reporting date.

Investment in unquoted shares

It was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted prices in active market. In addition, it is impracticable to use valuation technique to estimate the fair value reliably as a result of significant variability in the inputs of the valuation technique. The Company does not intend to dispose of these investments in the near future.

39.3 Fair value hierarchy

No fair value has been disclosed as the Group and the Company do not have financial instruments measured at fair value.

40. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value.

The Group and the Company manage its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital. No changes were made in the objective, policies or process during the financial year ended 30 April 2013 and financial year ended 30 April 2012.

The capital management in the Group and the Company are the shareholders' funds as shown in the statements of financial position.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE

(a) Proposed acquisition, bonus issue of warrants and private placement with warrants

The above proposals as announced by the Company on 28 March 2012 have been completed during the financial year as follows:

(i) Proposed acquisition

On 10 April 2012, Nextnation Datacity Sdn. Bhd. ("NDSB") entered into a Sales and Purchase Agreement ("SPA') with Cyberview for the acquisition of freehold land in Cyberjaya for a total purchase consideration of RM18,523,106 and settled via term loan facility amounting to RM14,820,000 granted by CIMB Islamic Bank Berhad which is equivalent to 80% of the total consideration and the remaining 20% settled via internally generated fund of the Group. The acquisition was completed on 5 September 2012.

On 29 August 2012, NDSB had entered into a Memorandum of Understanding ("MOU') with PT Graha Tunas Makmur ("PTGTM") to collaborate with the objective of jointly developing the abovementioned land in an exercise to be led by NDSB. On 23 May 2013, NDSB had entered into a Supplementary Memorandum of Understanding ("SMOU") with PTGTM to firm up the arrangement between NDSB and PTGTM on this Project and to supersede the initial MOU. The joint agreement consists of a mixed property development incorporating a proposed data centre, corporate office and other commercial and retail.

(ii) Bonus issue of warrants

On 4 May 2012, the Company announced bonus issue entitlement of 45,738,000 warrants on basis of one (1) free warrant for every ten (10) existing ordinary shares of RM0.10 each held in the Company on 15 May 2012.

The bonus issue was completed on 23 May 2012.

(iii) Private placement with free detachable warrants

The private placement of up to 137,214,000 new ordinary shares of RM0.10 each together with 205,821,000 free detachable warrants on the basis of three (3) free detachable warrants for every two (2) new ordinary shares of RM0.10 each in the Company subscribed and was completed on 23 July 2013. The proceeds of RM13,721,400 are for working capital purposes.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE (CONT'D)

(b) Disposal of subsidiaries

(i) On 16 July 2012, Godynamic Investments Limited ("GIL") has entered into a Letter of Intent to dispose its 100% equity interest, representing 100,000 ordinary shares in Vinamob to Lifenote Inc. for a total consideration of USD200,000 (approximately to RM628,000). The consideration is to be settled wholly in cash. The disposal is pending completion as at to-date and GIL has received part payment amounting to USD70,000 (approximately to RM212,000).

(ii) On 1 August 2012, Nextnation Network Sdn. Bhd. ("NN"), a wholly-owned subsidiary of the Company, had entered into a Share Sale and Purchase Agreement to dispose its 100% equity interest, representing 100,000 ordinary shares in Nextnation Interactive Sdn. Bhd. ("NISB") to Vision Eagle Holdings Limited for a total consideration of RM13,000,000, with waiver of RM12,000,000 debts owing by NISB to its subsidiaries. The disposal was completed on 26 April 2013.

The effects of the disposal of NISB on the financial position of the Group as at the date of disposal was as follows:

	RM
Net other assets disposed	1,202,572
Amount due from NISB	(15,689,464)
Assets and liabilities previously classified as disposal group	13,532,837
Net liabilities	(954,055)
Debts waived	12,000,000
Gain on disposal	1,954,055
Proceeds from disposal	13,000,000
Less: Cash and cash equivalents disposed	(15,583)
Net cash inflows from disposal	12,984,417

(iii) On 26 April 2013, GIL had entered into a Share Sale and Purchase Agreement ("SSPA") with True Accurate Limited for disposal of 57 ordinary shares of USD1.00 each, representing 60% shareholding in the capital of ETL for a total cash consideration of USD2.6 million (approximately RM7.97 million). This disposal is pending completion as at to-date.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE (CONT'D)

(c) **Incorporation of subsidiaries/ Additional investment in subsidiaries**

(i) On 7 September 2012, the Company has subscribed for 5,000 ordinary shares of RM0.01 each representing 100% equity interest in Nextgram Land Sdn. Bhd. ("NLSB") for a total cash consideration of RM50. NLSB is incorporated in Malaysia with an authorised and issued share capital of RM100,000 and RM50 respectively. The intended principal activity of NLSB is property investment.

(ii) On the same day as above, the Company has subscribed for 5,000 ordinary shares of RM0.01 each representing 100% equity interest in Nextgram Resources Sdn. Bhd. ("NRSB") for a total cash consideration of RM50. NRSB is incorporated in Malaysia with an authorised and issued share capital of RM100,000 and RM50 respectively. The intended principal activities of NRSB are investment holding and businesses relating to energy products, oil, petroleum, minerals and all kinds of natural resources.

(iii) On 28 September 2012, the Company has increased its investment cost through an allotment of 499,998 new ordinary shares of RM1 each of Nextnation Datacity Sdn. Bhd. for a total consideration of RM499,998.

(iv) On 30 July 2013, the Company has acquired 2 ordinary shares of RM1 each representing 100% equity interest in Nextgram Industries Sdn. Bhd. ("NIND") (formerly known as Jed Meridian Sdn. Bhd.) for a total cash consideration of RM2. NIND is incorporated in Malaysia with an authorised and issued share capital of RM400,000 and RM2 respectively. The intended principal activity of NIND is investment holding.

(d) **Disposal of property**

On 4 January 2013, PT Elasitas Multi Kreasi had entered into two separate Sale and Purchase Agreements with PT PHHP Pemasaran Indonesia to dispose of an office building which is under construction for a total consideration of IDR14,000,000,000 (approximately to RM4,578,000). This disposal was completed during the financial year.

(e) **Proposed diversification, proposed renounceable rights issue and proposed increased in the authorised share capital**

On 14 January 2013 and subsequently updated on 8 March 2013 and 27 June 2013, the Company intends to undertake the following:

(i) Proposed diversification of the business of the Company and its subsidiaries into property development and management ("Proposed Diversification");

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE (CONT'D)

(e) Proposed diversification, proposed renounceable rights issue and proposed increased in the authorised share capital (cont'd)

On 14 January 2013 and subsequently updated on 8 March 2013 and 27 June 2013, the Company intends to undertake the following (cont'd):

(ii) Proposed renounceable rights issue of up to 608,806,200 new right shares together with up to 304,403,100 free detachable warrants at an issue price of RM0.10 per rights shares on the basis of two (2) rights shares together with one (1) free warrants for every four (4) existing shares held, based on a minimum subscription level of 120,000,000 rights shares together with 60,000,000 free warrants;

(iii) Proposed increase in the authorised share capital from RM200,000,000 comprising 2,000,000,000 shares of RM0.10 each to RM500,000,000 comprising 5,000,000,000 shares of RM0.10 each; and

(iv) Proposed amendment to the Memorandum of Association pursuant to the proposed increase in authorised share capital.

Bank Negara Malaysia has via its letter dated 28 June 2013 given its approval to the Company to issue the warrants to non-resident shareholders of the Company pursuant to the proposed renounceable rights issue.

The proposals are still pending for completion as at to-date.

(f) Private placement

On 18 March 2013, the Company proposed to undertake a private placement of up to 84,615,300 new ordinary shares, representing up to ten percent (10%) of the issued and paid-up share capital at issue price of RM0.10 per share.

The private placement was completed on 2 April 2013.

(g) Proposed acquisition of property

On 8 April 2013, the Company had entered into a conditional Sale and Purchase Agreement with Bidang Legenda Sdn. Bhd. for acquisition of one (1) block of eleven (11) storey office building known as Block 1, Tower 7, Avenue 3, Phase 1, The Horizon, Bangsar South, Kuala Lumpur erected on a piece of leasehold land held under PN 46338, Lot No. 58190 (formerly held under H.S.(D) 115345, Lot No. PT 8097) located in Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan for a total purchase consideration of RM64 million to be settled via the issuance of 192,000,000 new ordinary shares of RM0.10 each of the Company at an issue price of RM0.30 each together with up to 120,000,000 free detachable warrants and a cash payment of RM6.40 million.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING DATE (CONT'D)

(g) Proposed acquisition of property (cont'd)

Bank Negara Malaysia has via its letter dated 20 May 2013 given its approval to the Company to issue the abovementioned warrants to its non-resident shareholders pursuant to the proposed acquisition.

On 24 July 2013, the proposed acquisition was completed. The 192,000,000 shares and 120,000,000 warrants have been granted listing and quotation on 30 July 2013.

(h) Investment in PT Goldchild Integritas Abadi

On 25 April 2013, NRSB had entered into a Share Sale and Purchase Agreement with PT Bina Tanjung Nusantara to acquire 39,356,250 shares, approximately 1.5% shareholding in the capital of PT Goldchild Integritas Abadi ("GIA") for a total cash consideration of IDR43,291,875,000 (approximately to RM13 million). GIA is principally involved in coal trading and the ownership of several coal mining concessions with coal exploitation and exploration licenses in East and South Kalimantan, Republic of Indonesia. The investment was completed on 24 July 2013.

42. EXPLANATION OF TRANSITION TO MFRSs

As stated in Note 2.4 to the financial statements, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 April 2013, the comparative information presented in these financial statements for the financial year ended 30 April 2012 and in the preparation of the opening MFRS statements of financial position at 1 May 2011 (the Group's date of transition to MFRSs).

The transition to MFRSs does not have financial impact to the financial statements of the Group and of the Company except for the consolidated statement of financial position.

Foreign currency translation differences

In accordance to MFRS 1 First-time adoption of MFRSs, a first-time adopter need not comply with the requirements in MFRS 121 for cumulative translation differences on foreign operations that existed at the date of transition to MFRS. It may deem that cumulative translation differences for all foreign operations to be nil at the date of transition, and reclassify any such amounts determined in accordance with FRS at that date to retained earnings. When this is the case, the gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition.

42. EXPLANATION OF TRANSITION TO MFRSs (CONT'D)

Foreign currency translation differences (cont'd)

Under FRSs, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

The impact arising from the change is summarised as follows:

	Group	
	30.4.2012	1.5.2011
	RM	RM
Consolidated statement of financial position		
Foreign currency translation reserve		
Per FRS	(6,889,492)	(6,659,506)
Effect of transition to MFRS	6,659,506	6,659,506
Per MFRS	(229,986)	-
Retained earnings		
Per FRS	32,975,989	24,998,137
Effect of transition to MFRS	(6,659,506)	(6,659,506)
Per MFRS	26,316,483	18,338,631

DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

With the purpose of improving transparency, Bursa Malaysia Securities Berhad has on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of retained earnings/accumulated losses into realised and unrealised on Group and Company basis in the annual audited financial statements.

The breakdown of retained earnings/accumulated losses as at the reporting date, which has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the 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, are as follows:-

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total (accumulated losses)/ retained earnings of the Company and its subsidiaries				
-Realised	(60,292,526)	(66,800,891)	(11,492,974)	(9,799,166)
-Unrealised	(1,296,995)	(508,001)	953,338	-
	(61,589,521)	(67,308,892)	(10,539,636)	(9,799,166)
Total share of accumulated losses from the associates				
-Realised	(1,359,019)	(1,359,019)	-	-
	(62,948,540)	(68,667,911)	(10,539,636)	(9,799,166)
Less: Consolidation adjustments	96,622,557	94,984,394	-	-
Total retained earnings/ (accumulated losses) as per consolidated financial statements	33,674,017	26,316,483	(10,539,636)	(9,799,166)

The disclosure of realised and unrealised above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

OUR UNAUDITED FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS FPE 31 JULY 2013

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO-DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 JUL 2013	31 JUL 2012	31 JUL 2013	31 JUL 2012
	NOTE	RM	RM	RM	RM
Revenue		24,978,757	16,607,339	24,978,757	16,607,339
Operating expenses		(21,096,347)	(14,536,666)	(21,096,347)	(14,536,666)
Profit from operations		3,882,410	2,070,673	3,882,410	2,070,673
Depreciation and amortisation		(2,159,608)	(600,577)	(2,159,608)	(600,577)
Finance costs		(304,042)	(89,491)	(304,042)	(89,491)
Interest income		4,798	14,798	4,798	14,798
Gain on disposal of subsidiary company		-	-	-	-
Profit before taxation		1,423,557	1,395,403	1,423,557	1,395,403
Taxation	B4	(13)	(90,000)	(13)	(90,000)
Profit for the period		1,423,544	1,305,403	1,423,544	1,305,403
Other comprehensive loss, net of tax					
Foreign currency translation		329,363	(1,057,328)	329,363	(1,057,328)
		329,363	(1,057,328)	329,363	(1,057,328)
Total comprehensive income for the period, net of tax		1,752,907	248,075	1,752,907	248,075
Profit for the period attributable to:					
Equity holders of the Company		1,525,244	1,270,992	1,525,244	1,270,992
Non-controlling interests		(101,700)	34,411	(101,700)	34,411
Profit for the period		1,423,544	1,305,403	1,423,544	1,305,403
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		1,693,771	1,190,754	1,693,771	1,190,754
Non-controlling interests		59,136	(942,679)	59,136	(942,679)
Total comprehensive income for the period		1,752,907	248,075	1,752,907	248,075
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B13	0.33	0.21	0.28	0.21
- Diluted (sen)		0.29	-	0.20	-

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2013 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 14)

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AT 31 JUL 2013 (UNAUDITED) RM	AT 30 APRIL 2013 (AUDITED) RM
ASSETS		
Non-current assets		
Property, plant and equipment	11,338,213	11,754,506
Land held for property development	19,217,214	19,217,214
Research and development expenditure	4,101,693	4,330,849
Intangible assets	24,699,168	26,137,446
Goodwill on consolidation	-	-
Total non-current assets	59,356,288	61,440,015
Current assets		
Trade and other receivables	74,724,950	66,674,236
Amount due from associate company	2,195,477	2,450,643
Tax recoverable	3,318	3,877
Assets held for sale	5,924,375	5,840,488
Fixed deposits with a licensed bank	616,801	616,801
Cash and bank balances	3,150,359	3,789,356
Total current assets	86,615,280	79,375,401
Total assets	145,971,568	140,815,416
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent:		
Share capital	65,405,340	65,405,340
Reserves	6,015,869	8,636,996
Retained earnings	35,199,261	33,674,017
	106,620,470	107,716,353
Non-controlling interests	(973,579)	(1,032,715)
Total equity	105,646,891	106,683,638
LIABILITIES		
Non-current liabilities		
Finance lease payables	370,105	384,884
Term loans	16,089,669	16,296,315
Retirement benefits	-	-
Total non-current liabilities	16,459,774	16,681,199
Current liabilities		
Trade and other payables	18,768,971	12,476,099
Amount due to associate company	-	-
Finance lease payables	124,633	127,898
Term loans	1,435,199	1,498,753
Liabilities directly associate with assets held for sale	1,986,337	1,903,685
Bank overdraft	1,549,763	1,444,144
Total current liabilities	23,864,903	17,450,579
Total liabilities	40,324,677	34,131,778
Total equity and liabilities	145,971,568	140,815,416
Net assets per share attributable to ordinary equity holders of the Company (sen)	16.30	16.47

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2013 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 14)

OUR UNAUDITED FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS FPE 31 JULY 2013 *(Cont'd)*

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 JULY 2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	<---- Attributable to owners of the parent				---->			
	Non-Distributable				Distributable			
	Share capital RM	Share premium RM	Warrants reserve	Translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 May 2013	65,405,340	4,551,441	4,380,405	(294,850)	33,674,017	107,716,353	(1,032,715)	106,683,638
Transaction with owners:								
- Issue of ordinary shares	-	(90,900)	-	-	-	(90,900)	-	(90,900)
- Issue of warrants	-	-	-	-	-	-	-	-
Total transactions with owners	-	(90,900)	-	-	-	(90,900)	-	(90,900)
Foreign currency translation	-	-	-	(2,530,227)	-	(2,530,227)	160,836	(2,369,391)
Profit for the financial period	-	-	-	-	1,525,244	1,525,244	(101,700)	1,423,544
Total comprehensive income for the financial period	-	-	-	(2,530,227)	1,525,244	(1,004,983)	59,136	(945,847)
At 31 Jul 2013	65,405,340	4,460,541	4,380,405	(2,825,077)	35,199,261	106,620,470	(973,579)	105,646,891
At 1 May 2012	45,738,000	6,182,540	-	(6,889,492)	32,975,989	78,007,037	(4,975)	78,002,062
Transaction with owners:								
- Issue of ordinary shares	13,721,400	3,016,863	-	-	-	16,738,263	-	16,738,263
- Issue of warrants	-	-	4,380,405	-	(4,380,405)	-	-	-
Total transactions with owners	13,721,400	3,016,863	4,380,405	-	(4,380,405)	16,738,263	-	16,738,263
Foreign currency translation	-	-	-	4,376,329	-	4,376,329	(1,058,689)	3,317,640
Profit for the financial period	-	-	-	-	1,270,992	1,270,992	34,411	1,305,403
Total comprehensive income for the financial period	-	-	-	4,376,329	1,270,992	5,647,321	(1,024,278)	4,623,043
At 31 Jul 2012	59,459,400	9,199,403	4,380,405	(2,513,163)	29,866,576	100,392,621	(1,029,253)	99,363,368

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2013 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 14)

OUR UNAUDITED FINANCIAL STATEMENTS FOR THE THREE (3) MONTHS FPE 31 JULY 2013 *(Cont'd)*

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 31 JUL 2013	PRECEDING YEAR CORRESPONDING PERIOD 31 JUL 2012
	RM	RM
Cash flows from operating activities		
Profit before taxation	1,423,557	1,395,403
Adjustments for non-cash flow:		
Non-cash items	2,672,731	600,577
Finance costs	304,042	89,412
Interest income	(4,798)	(14,798)
Operating profit before working capital changes	4,395,533	2,070,594
Changes in working capital:		
Net change in current assets	(8,058,839)	(2,465,969)
Net change in current liabilities	3,641,654	795,865
Cash generated from operations	(21,652)	400,490
Interest paid	(304,042)	(149,382)
Income tax refund	989	2,266
Net cash from operating activities	(324,705)	253,374
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(15,227)
Purchase of intangible assets	-	(16,235,921)
Advance to associates	277,876	
Net cash used in investing activities	277,876	(16,251,148)
Cash flows from financing activities		
Proceeds from issuance of shares	-	16,738,263
Payment of listing expenses	(90,900)	-
Interest received	4,798	14,798
Repayment of finance lease payables	(36,354)	(105,094)
Repayment of term loans	(610,820)	(224,180)
Net cash from/(used in) financing actvities	(733,276)	16,423,787
Net decrease in cash and cash equivalents	(780,106)	426,013
Cash and cash equivalents at 1 May	3,523,248	2,873,380
Translation differences	35,489	16,121
Cash and cash equivalents at end of period	2,778,631	3,315,514
Cash and cash equivalents comprise of :-		
Cash and bank balances	3,150,359	4,771,027
Bank overdraft	(1,549,763)	(1,455,513)
	1,600,596	3,315,514
Asset classified as held for sale	1,178,035	-
	2,778,631	3,315,514

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 April 2013 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 14)

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 "Interim Financial Reporting" and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the latest audited financial statements of Nextnation Communication Berhad ("Nextnation" or the "Company") and its subsidiaries ("Group") for the financial year ended 30 April 2013.

The accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 April 2013.

A2. Qualification of financial statements

There was no audit qualification reported in the audited financial statements of the Group for the financial year ended 30 April 2013.

A3. Seasonal or cyclical factors

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current quarter under review.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A5. Material changes in estimates

There were no changes in the nature and amount of estimates reported in prior financial years that have a material effect in the current quarter under review.

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

A6. Debts and equity securities

There were no issuance, repurchase, cancellation, resale, and repayment of debt and equity securities of the Company from the last financial year ended 30 April 2013 to current quarter under review except for the following:-

(a) On 14 January 2013 and supplemented on 8 March 2013, 12 March 2013, 2 April 2013, proposed renounceable rights issue up to 564,102,000 rights shares together with up to 338,461,200 free detachable warrants ("Warrants-B") at an issue price of RM0.11 per rights share on the basis of two (2) rights shares for every three (3) existing ordinary shares of RM0.10 each in Company together with three (3) free Warrant-B for every five (5) rights shares subscribed, which adjusted on 27 June 2013.

On 27 June 2013 and supplemented on 29 August 2013, proposed renounceable rights issue of up to 608,806,200 new ordinary shares of RM0.10 each ("NCB Shares") ("Rights Shares") together with up to 304,403,100 free detachable warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every four (4) existing NCB Shares held, based on a minimum subscription level of 120,000,000 Rights Shares together with 60,000,000 free Warrants, on an entitlement date to be determined and announced later.

Bank Negara Malaysia has via its letter dated 28 June 2013 given its approval to the Company to issue the warrants to non-residents shareholders of the Company pursuant to the proposed renounceable rights issue.

Bursa Securities has via its letter dated 28 August 2013 approved the Rights Shares and Warrants.

A7. Dividend paid

There was no dividend paid during the current quarter under review.

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

A8. Segmental information

The segmental analysis of revenue and profit before taxation of the Group for the financial period ended 31 July 2013 is tabulated below:

Segment	Malaysia RM	Other Countries RM	Elimination RM	Total RM
Revenue	12,522,129	12,543,459	(86,831)	24,978,757
Profit before taxation	1,583,563	(160,006)	-	1,423,557

A9. Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

A10. Material events subsequent to the end of the quarter

(a) As at 26 September 2013, being the latest practicable date of this Report, there are no material events subsequent to the quarter ended 31 July 2013 except:

(i) On 12 September 2013, a wholly-owned subsidiary of the Company, Nextnation Network Sdn. Bhd. had entered into a Sales and Purchase Agreement with Ng Kim Cheong and Chin Chze Yin to dispose of one (1) unit of five (5) storey shop-offices (with individual lift) for a total consideration of RM2.1 million. This disposal is pending for completion.

NEXTNATION COMMUNICATION BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

A11. Changes in composition of the Group

Other than as disclosed below, there were no changes in the composition of the Group during the financial year as at 30 April 2013.

a) **Disposal of 100% equity interest in Vinamob Venture Company Limited ("Vinamob")**

On 16 July 2012, Godynamic Investments Limited ("GIL"), a subsidiary of Nextnation had entered into a Letter of Intent to dispose its 100% equity interest, representing 100,000 ordinary shares of Vinamob to Lifenote Inc. ("Lifenote") for a total consideration of USD200,000 (RM626,000). On 16 November 2012, GIL had entered into a Share Sale Agreement ("SSA") with Lifenote to dispose off the entire shares held in the capital of Vinamob. This disposal is pending for completion.

b) **Disposal of 60% equity interest in Elasitas Technologies Limited ("ETL")**

On 29 April 2013, GIL had entered into a SSPA to dispose it 60% equity interest, representing 57 ordinary shares of ETL to True Accurate Limited for a total consideration of RM7.97 million. This disposal is pending for completion.

A12. Contingent assets or liabilities

Save as disclosed below, the Company does not have any contingent assets or liabilities as at 26 September 2013.

	RM
Contingent liability :	
Corporate guarantee granted to a subsidiary company	17,524,868

A13. Capital commitments

There were no capital commitments as at 26 September 2013.

NEXTNATION COMMUNICATION BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of performance

(a) Performance of the current quarter against the preceding quarter

For the current quarter ended 31 July 2013, the Group recorded revenue of RM25.0 million as compared to RM26.5 million which recorded in the previous quarter ended 30 April 2013. The Group's revenue decreased by 5.7% as a result of slight decrease in sales of the Company's products and services.

The Group recorded a profit before taxation of RM1.4 million for the current quarter ended 31 July 2013 as compared to profit before taxation of RM1.9 million recorded in the previous quarter ended 30 April 2013. The decrease in profit before taxation was mainly contributed by gain on disposal of assets and liabilities held for sale amounted to RM2.0 million.

(b) Performance of the financial year-to-date against preceding year corresponding period

The Group's revenue of RM25.0 million in the current 3-month financial period ended 31 July 2013 as compared to RM16.6 million reported in the previous year corresponding period. The Group's revenue increased by 50.6% was mainly due to the drastic increase in sales of the Group's products and services.

The Group recorded a profit before taxation of RM1.4 million in the current 3-month financial period ended 31 July 2013 as compared to RM1.4 million reported in the previous year corresponding period.

(c) Performance of the current quarter/ period against the preceding year corresponding quarter/ period

The Group's revenue of RM25.0 million in the current 3-month financial period ended 31 July 2013 as compared to RM16.6 million reported in the previous year corresponding period. The Group's revenue increased by 50.6% was mainly due to the drastic increase in sales of the Group's products and services.

The Group recorded a profit before taxation of RM1.4 million in the current 3-month financial period ended 31 July 2013 as compared to RM1.4 million reported in the previous year corresponding period.

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

B2. Current year's prospect

The Group is principally engaged in programming services, software development, internet consulting, provision of information technology services, development and distribution of retail mobile application solutions and provision of multiple gateways for technology enabling and content provisioning.

The Group had in November 2012, successfully launched an IP-based network delivery solution as a key component of its Consumer Content Application/Corporate Mobile Application modules (CCAM/CMAM). With the wide adoption of cloud technology and higher demand of data consumption, the Group is well-positioned to take advantage of opportunities for growth in both the local and international markets such as the Southeast Asian region, as smartphone penetration rates continue to grow in the region following the increasing consumption of data services.

In addition, the Outsourcing Agreement with the guaranteed revenue of USD22.5 million or equivalent to approximately RM67.68 million over a period of three (3) years starting in November 2012 from Inovisi, the Planned Development of the Cyberjaya Land, which is expected to generate gross development profits of approximately RM70.00 million as well as the acquisition of the Boutique Building which was substantially paid for via the issuance of new NCB Shares and warrants are all expected to drive the Group's revenue and profitability in the future.

Premised on the above, the Board is cautiously optimistic that the prospects of the Group would be satisfactory in the near future.

B3. Variance of actual profit from forecast profit

The Group has not published or issued any profit forecast for the current period and financial year as at 26 September 2013.

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

B4. Profit before tax is stated after charging/(crediting):

	Quarter ended 31.7.2013 RM	Year to date 31.7.2013 RM
Amortisation of development expenditure	229,157	229,157
Amortisation of intangible assets	1,438,278	1,438,278
Depreciation of property, plant and equipment	492,174	492,174
Gain on disposal of asset held for sale	-	-
Gain on disposal of property, plant equipment	-	-
Gain or loss on derivatives	-	-
Impairment of assets	-	-
Interest expense	304,042	304,042
Interest income	(4,798)	(4,798)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Realised gain on foreign exchange	(438,636)	(438,636)

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31.7.2013 RM	31.7.2012 RM	31.7.2013 RM	31.7.2012 RM
Current period's provision	13	-	13	-
Under provision	-	(90,000)	-	(90,000)
Total	**13**	**(90,000)**	**13**	**(90,000)**

B6. Status of corporate proposals and utilisation of proceeds

(a) As at 26 September 2013, being the latest practicable date of this Report, there were no other corporate proposals announced by the Company and completion except below.

NEXTNATION COMMUNICATION BERHAD
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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

B6. Status of corporate proposals and utilisation of proceeds (cont'd)

(b) The Company had proposed the following:

(i) Renounceable rights issue up to 608,806,200 rights shares together with up to 304,403,100 Warrants at an issue price of RM0.10 per rights share on the basis of two (2) Rights Shares together with one (1) free Warrant for every four (4) existing NCB Shares held, based on a minimum subscription level of 120,000,000 Rights Shares together with 60,000,000 free Warrants, on an entitlement date to be determined and announced later.

The details of the proposed utilisation of the proceeds raised from the Rights Issue is as follows:

	Minimum scenario RM'000	Maximum scenario RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Part finance the property development cost	11,300	40,000	Within 36 months
Acquisition of new businesses	-	18,578	Within 24 months
Working capital purposes	-	1,603	Within 18 months
Estimated expenses in relation to the Proposed Private Placement	700	700	Within 6 months
Total proceeds	**12,000**	**60,881**	

NEXTNATION COMMUNICATION BERHAD
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

B7. Borrowings and debt securities

Save as disclosed below, the Group does not have any loan outstanding or created, convertible debt securities, mortgages or charges outstanding as at 31 July 2013.

Secured borrowings	Payable within 12 months	Payable after 12 months
Denominated in: Malaysian Ringgit	1,559,832	16,459,774

The above borrowings are in the Malaysian currencies. There has been no default on payment of either interest and/or principal sum, in respect of the abovementioned borrowings throughout the past one (1) financial year.

B8. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at 26 September 2013.

B9. Realised and unrealised profits

	As at 31.7.2013 RM	As at 31.07.2012 RM
Total accumulated profits/losses of the Company and its subsidiary companies:		
- Realised	36,685,033	12,340,873
- Unrealised	(510,972)	(467)
	36,174,061	12,340,406
Total share of accumulated losses from the associate company:		
- Realised	(1,359,019)	(3,249,325)
	34,815,042	9,091,081
Less: Consolidation adjustments	384,219	-
Total retained earnings as per Consolidated Statements of Financial Position	35,199,261	9,091,081

NEXTNATION COMMUNICATION BERHAD
Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2013

B10. Material litigation

There is no material litigation as at 26 September 2013.

B11. Dividend

There is no dividend declared for the current quarter under review.

B12. Earnings per share

(a) Basic

Basic profit per shares is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter	Current Year to date
Profit attributable to ordinary equity holders of the Company (RM)	1,525,244	1,525,244
Weighted average number of shares	459,563,804	545,337,315
Basic profit per shares (sen)	0.33	0.28

(b) Diluted

Diluted profit per shares is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue and issuable during the period.

	Current Quarter	Current Year to date
Profit attributable to ordinary equity holders of the Company (RM)	1,525,244	1,525,244
Weighted average number of shares	459,563,804	545,337,315
Effects of dilution in outstanding warrants	61,339,044	221,696,370
Adjusted weighted average number of ordinary shares in issue and issuable	520,902,848	767,033,685
Diluted profit per shares (sen)	0.29	0.20

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REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013
(Prepared for inclusion into the Abridged Prospectus)

SJ Grant Thornton (AF:0737)
Level 11 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
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F +603 2691 5229
www.gt.com.my

Date: 29 November 2013

The Board of Directors
Nextnation Communication Berhad
Unit 909, Block F
Phileo Damansara One
No. 9, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

NEXTNATION COMMUNICATION BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013

We have reviewed the presentation of the Proforma Consolidated Statements of Financial Position of Nextnation Communication Berhad ("NCB" or "the Company") and its subsidiary companies ("the Group"), as at 30 April 2013 together with the accompanying statement (which we have stamped for the purpose of identification) for the purpose of inclusion in the Company's Abridged Prospectus in connection with the following corporate exercises of NCB:

(i) proposed diversification of the business of the Group into property development;

(ii) proposed renounceable rights issue of up to 608,806,200 new NCB Shares ("Rights Shares") together with up to 304,403,100 Free Detachable Warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every four (4) existing NCB Shares held, based on a minimum subscription level of 120,000,000 Rights Shares together with 60,000,000 free Warrants, on an entitlement date to be determined and announced later ("Proposed Rights Issue");

(iii) proposed increase in the authorised share capital of NCB from RM200,000,000 comprising 2,000,000,000 NCB Shares to RM500,000,000 comprising 5,000,000,000 NCB Shares ("Proposed Increase in Authorised Share Capital"); and

(iv) proposed amendment to the Memorandum of Association of NCB pursuant to the Proposed Increase in Authorised Share Capital.

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In our opinion, the Proforma Consolidated Statements of Financial Position together with the notes thereon (which are provided solely for illustrative purposes only):-

(a) have been properly compiled on a basis of preparation as stated in the notes thereto; such basis is consistent with the accounting policies normally adopted by NCB;

(b) the adjustments are appropriate for the purposes of the Proforma Consolidated Statements of Financial Position; and

(c) the audited financial statements used in the preparation of the Proforma Consolidated Statements of Financial Position were prepared in accordance with accounting principles and bases which are consistent with those normally adopted by NCB.

Our letter on the Proforma Consolidated Statements of Financial Position of NCB as at 30 April 2013 is prepared solely for inclusion into the Company's Abridged Prospectus. This letter is not to be reproduced, referred to in any other document, or used or relied upon for any other purpose without our prior written consent.

Yours faithfully,

SJ GRANT THORNTON
NO. AF: 0737
CHARTERED ACCOUNTANTS

DATO' N.K. JASANI
NO: 708/03/14 (J/PH)
PARTNER OF THE FIRM

NEXTNATION COMMUNICATION BERHAD
(Company No: 660055 H)

AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013

(A) PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (MINIMUM SCENARIO)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes based on the audited consolidated statement of financial position of NCB as at 30 April 2013, and on the assumption that these transactions were completed on 30 April 2013.

ASSETS	Note	Audited as at 30.4.2013 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM
Non-current assets						
Property, plant and equipment		11,754,506	11,754,506	11,754,506	11,754,506	11,754,506
Land held for property development		19,217,214	19,217,214	19,217,214	19,217,214	19,217,214
Investment property	3	-	64,000,000	64,000,000	64,000,000	64,000,000
Development expenditure		4,330,849	4,330,849	4,330,849	4,330,849	4,330,849
Intangible assets		26,137,446	26,137,446	26,137,446	26,137,446	26,137,446
Property development cost	4	-	-	-	11,300,000	11,300,000
Total non-current assets		61,440,015	125,440,015	125,440,015	136,740,015	136,740,015
Current assets						
Trade receivables		52,415,437	52,415,437	52,415,437	52,415,437	52,415,437
Other receivables	5	14,258,799	11,058,799	11,058,799	11,058,799	11,058,799
Amount due from associate companies		2,450,643	2,450,643	2,450,643	2,450,643	2,450,643
Tax recoverable		3,877	3,877	3,877	3,877	3,877
Fixed deposits with a licensed bank		616,801	616,801	616,801	616,801	616,801
Cash and bank balances	6	3,789,356	289,356	12,289,356	289,356	6,889,356
Total current assets		73,534,913	66,834,913	78,834,913	66,834,913	73,434,913
Assets held for sale		5,840,488	5,840,488	5,840,488	5,840,488	5,840,488
Total assets		140,815,416	198,115,416	210,115,416	209,415,416	216,015,416
EQUITY AND LIABILITIES						
EQUITY						
Share capital	7	65,405,340	84,605,340	96,605,340	96,605,340	102,605,340
Share premium	8	4,551,441	39,111,441	36,471,441	35,771,441	39,011,441
Translation reserve		(294,850)	(294,850)	(294,850)	(294,850)	(294,850)
Retained earnings	9	33,674,017	33,374,017	33,374,017	33,374,017	33,374,017
Warrant reserve	10	4,380,405	8,220,405	10,860,405	10,860,405	8,220,405
		107,716,353	165,016,353	177,016,353	176,316,353	182,916,353
Non-controlling interests		(1,032,715)	(1,032,715)	(1,032,715)	(1,032,715)	(1,032,715)
Total equity		106,683,638	163,983,638	175,983,638	175,283,638	181,883,638
LIABILITIES						
Non-current liabilities						
Finance lease payables		384,884	384,884	384,884	384,884	384,884
Term loans		16,296,315	16,296,315	16,296,315	16,296,315	16,296,315
Total non-current liabilities		16,681,199	16,681,199	16,681,199	16,681,199	16,681,199

Stamped for the purpose of identification on:
2 9 NOV 2013
SJ Grant Thornton

NEXTNATION COMMUNICATION BERHAD
(Company No: 660055 H)

AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

(A) PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (MINIMUM SCENARIO) (CONT'D)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes based on the audited consolidated statement of financial position of NCB as at 30 April 2013, and on the assumption that these transactions were completed on 30 April 2013 (cont'd).

LIABILITIES (CONT'D)	Audited as at 30.4.2013 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM
Current liabilities					
Trade payables	11,038,071	11,038,071	11,038,071	11,038,071	11,038,071
Other payables	1,430,403	1,430,403	1,430,403	1,430,403	1,430,403
Finance lease payables	127,898	127,898	127,898	127,898	127,898
Term loans	1,498,753	1,498,753	1,498,753	1,498,753	1,498,753
Bank overdraft	1,444,144	1,444,144	1,444,144	1,444,144	1,444,144
Tax payable	7,625	7,625	7,625	7,625	7,625
Total current liabilities	15,546,894	15,546,894	15,546,894	15,546,894	15,546,894
Liabilities directly associated with assets held for sale	1,903,685	1,903,685	1,903,685	1,903,685	1,903,685
Total liabilities	34,131,778	34,131,778	34,131,778	34,131,778	34,131,778
Total equity and liabilities	140,815,416	198,115,416	210,115,416	209,415,416	216,015,416
Number of NCB shares	654,053,400	846,053,400	966,053,400	966,053,400	1,026,053,400
Number of NCB warrants	251,559,000	371,559,000	431,559,000	431,559,000	371,559,000
Net asset per share (RM)	0.16	0.19	0.18	0.18	0.18
Net tangible asset per share (RM)	0.12	0.16	0.15	0.15	0.15

Stamped for the purpose of identification on:
2 9 NOV 2013
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NEXTNATION COMMUNICATION BERHAD
(Company No: 660055 H)

AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

(B) PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (MAXIMUM SCENARIO)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes based on the audited consolidated statement of financial position of NCB as at 30 April 2013, and on the assumption that these transactions were completed on 30 April 2013.

ASSETS	Note	Audited as at 30.4.2013 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM	Proforma V RM
Non-current assets							
Property, plant and equipment		11,754,506	11,754,506	11,754,506	11,754,506	11,754,506	11,754,506
Land held for property development		19,217,214	19,217,214	19,217,214	19,217,214	19,217,214	19,217,214
Investment property	3	-	64,000,000	64,000,000	64,000,000	64,000,000	64,000,000
Development expenditure		4,330,849	4,330,849	4,330,849	4,330,849	4,330,849	4,330,849
Intangible assets		26,137,446	26,137,446	26,137,446	26,137,446	26,137,446	26,137,446
Property development cost	4	-	-	-	-	40,000,000	40,000,000
Total non-current assets		61,440,015	125,440,015	125,440,015	125,440,015	165,440,015	165,440,015
Current assets							
Trade receivables		52,415,437	52,415,437	52,415,437	52,415,437	52,415,437	52,415,437
Other receivables	5	14,258,799	11,058,799	11,058,799	11,058,799	11,058,799	11,058,799
Amount due from associate companies		2,450,643	2,450,643	2,450,643	2,450,643	2,450,643	2,450,643
Tax recoverable		3,877	3,877	3,877	3,877	3,877	3,877
Fixed deposits with a licensed bank		616,801	616,801	616,801	616,801	616,801	616,801
Cash and bank balances	6	3,789,356	289,356	67,445,256	128,325,876	87,625,876	121,110,217
Total current assets		73,534,913	66,834,913	133,990,813	194,871,433	154,171,433	187,655,774
Assets held for sale		5,840,488	5,840,488	5,840,488	5,840,488	5,840,488	5,840,488
Total assets		140,815,416	198,115,416	265,271,316	326,151,936	325,451,936	358,936,277
EQUITY AND LIABILITIES							
EQUITY							
Share capital	7	65,405,340	84,605,340	121,761,240	182,641,860	182,641,860	213,082,170
Share premium	8	4,551,441	39,111,441	77,331,846	63,938,110	63,238,110	79,675,877
Translation reserve		(294,850)	(294,850)	(294,850)	(294,850)	(294,850)	(294,850)
Retained earnings	9	33,674,017	33,374,017	33,374,017	33,374,017	33,374,017	33,374,017
Warrant reserve	10	4,380,405	8,220,405	-	13,393,736	13,393,736	-
		107,716,353	165,016,353	232,172,253	293,052,873	292,352,873	325,837,214
Non-controlling interests		(1,032,715)	(1,032,715)	(1,032,715)	(1,032,715)	(1,032,715)	(1,032,715)
Total equity		106,683,638	163,983,638	231,139,538	292,020,158	291,320,158	324,804,499
LIABILITIES							
Non-current liabilities							
Finance lease payables		384,884	384,884	384,884	384,884	384,884	384,884
Term loans		16,296,315	16,296,315	16,296,315	16,296,315	16,296,315	16,296,315
Total non-current liabilities		16,681,199	16,681,199	16,681,199	16,681,199	16,681,199	16,681,199

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

(B) PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (MAXIMUM SCENARIO) (CONT'D)

The Proforma Consolidated Statements of Financial Position set out below are provided for illustrative purposes based on the audited consolidated statement of financial position of NCB as at 30 April 2013, and on the assumption that these transactions were completed on 30 April 2013 (cont'd).

	Audited as at 30.4.2013 RM	Proforma I RM	Proforma II RM	Proforma III RM	Proforma IV RM	Proforma V RM
LIABILITIES (CONT'D)						
Current liabilities						
Trade payables	11,038,071	11,038,071	11,038,071	11,038,071	11,038,071	11,038,071
Other payables	1,430,403	1,430,403	1,430,403	1,430,403	1,430,403	1,430,403
Finance lease payables	127,898	127,898	127,898	127,898	127,898	127,898
Term loans	1,498,753	1,498,753	1,498,753	1,498,753	1,498,753	1,498,753
Bank overdraft	1,444,144	1,444,144	1,444,144	1,444,144	1,444,144	1,444,144
Tax payable	7,625	7,625	7,625	7,625	7,625	7,625
Total current liabilities	15,546,894	15,546,894	15,546,894	15,546,894	15,546,894	15,546,894
Liabilities directly associated with assets held for sale	1,903,685	1,903,685	1,903,685	1,903,685	1,903,685	1,903,685
Total liabilities	34,131,778	34,131,778	34,131,778	34,131,778	34,131,778	34,131,778
Total equity and liabilities	140,815,416	198,115,416	265,271,316	326,151,936	325,451,936	358,936,277
Number of NCB shares	654,053,400	846,053,400	1,217,612,400	1,826,418,600	1,826,418,600	2,130,821,700
Number of NCB warrants	251,559,000	371,559,000	-	304,403,100	304,403,100	-
Net asset per share (RM)	0.16	0.19	0.19	0.16	0.16	0.15
Net tangible asset per share (RM)	0.12	0.16	0.16	0.14	0.14	0.14

NEXTNATION COMMUNICATION BERHAD
(Company No: 660055 H)

AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. The Proforma Consolidated Statements of Financial Position have been prepared based on the audited consolidated financial statements of NCB as at 30 April 2013.

2. The Proforma Consolidated Statements of Financial Position have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited consolidated financial statements to illustrate the Proforma Consolidated Statements of Financial Position of NCB assuming that all the transactions mentioned below had taken place on 30 April 2013:-

Minimum Scenario

Proforma I: Acquisition of Investment Property ("Acquisition")

On 8 April 2013, the Company entered into a conditional sale and purchase agreement with Bidang Lagenda Sdn. Bhd. for the acquisition of one (1) block of eleven (11) storey office building known as Block 1, Tower 7, Avenue 3, Phase 1, The Horizon, Bangsar South, Kuala Lumpur erected on a piece of leasehold land under PN 46338, Lot No. 58190 (formerly held under H.S. (D) 115345, Lot No. PT 8097) located in Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan for a total purchase consideration of RM64 million to be settled via the issuance of 192,000,000 new NCB Shares at the issue price of RM0.30 each together with up to 120,000,000 Free Detachable Warrants ("Consideration Warrants") and a cash payment of RM6.4 million from internally generated fund ("Acquisition").

The transaction costs are estimated at RM300,000 and will be set off against the profit or loss account.

The Acquisition was completed on 2 August 2013.

Proforma II: Proposed Rights Issue

Proforma II incorporates the effects of Proforma I and the following:

Proposed Rights Issue of 120,000,000 new ordinary shares of RM0.10 each in NCB ("Rights Shares") together with 60,000,000 Free Detachable Warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant.

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NEXTNATION COMMUNICATION BERHAD
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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. The Proforma Consolidated Statements of Financial Position have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited consolidated financial statements to illustrate the Proforma Consolidated Statements of Financial Position of NCB assuming that all the transactions mentioned below had taken place on 30 April 2013 (cont'd):-

Minimum Scenario (cont'd)

Proforma III: Utilisation of Proceeds

Proforma III incorporates the effects in Proforma I to II and the following:

The gross proceeds from the Proposed Rights Issue amounting to RM12,000,000 is expected to be fully utilised in the following manner:-

	RM
Property development cost	11,300,000
Estimated corporate exercise expenses	700,000
	12,000,000

The corporate exercise expenses are estimated at RM700,000 and will be set off against the share premium account.

Proforma IV: Exercise of Warrants

Proforma IV incorporates the effects in Proforma I to III and the effects of the full exercise of 60,000,000 Warrants at an exercise price of RM0.11.

The gross proceeds arising from the Exercise of Warrants amounting to RM6,600,000 is expected to be fully utilised for the working capital.

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NEXTNATION COMMUNICATION BERHAD
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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. The Proforma Consolidated Statements of Financial Position have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited consolidated financial statements to illustrate the Proforma Consolidated Statements of Financial Position of NCB assuming that all the transactions mentioned below had taken place on 30 April 2013 (cont'd):-

Maximum Scenario

Proforma I: Acquisition of Investment Property ("Acquisition")

On 8 April 2013, the Company entered into a conditional sale and purchase agreement with Bidang Lagenda Sdn. Bhd. for the acquisition of one (1) block of eleven (11) storey office building known as Block 1, Tower 7, Avenue 3, Phase 1, The Horizon, Bangsar South, Kuala Lumpur erected on a piece of leasehold land under PN 46338, Lot No. 58190 (formerly held under H.S. (D) 115345, Lot No. PT 8097) located in Mukim and District of Kuala Lumpur, State of Wilayah Persekutuan for a total purchase consideration of RM64 million to be settled via the issuance of 192,000,000 new NCB Shares at the issue price of RM0.30 each together with up to 120,000,000 Free Detachable Warrants ("Consideration Warrants") and a cash payment of RM6.4 million from internally generated fund ("Acquisition").

The transaction costs are estimated at RM300,000 and will be set off against the profit or loss account.

The Acquisition was completed on 2 August 2013.

Proforma II: Exercise of Existing Warrants and Consideration Warrants

Proforma II incorporates the effect in Proforma I and the effects of full exercise of 251,559,000 Existing Warrants at an exercise price of RM0.10 and 120,000,000 Consideration Warrants at an exercise price of RM0.35.

The gross proceeds arising from the full exercise of Existing Warrants and Consideration Warrants amounted to RM67,155,900 are expected to be fully utilised for the working capital.

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. The Proforma Consolidated Statements of Financial Position have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited consolidated financial statements to illustrate the Proforma Consolidated Statements of Financial Position of NCB assuming that all the transactions mentioned below had taken place on 30 April 2013 (cont'd):-

Maximum Scenario (cont'd)

Proforma III: Proposed Rights Issue

Proforma III incorporates the effects of Proforma I to II and the following:

Proposed Rights Issue of 608,806,200 new ordinary shares of RM0.10 each in NCB ("Rights Shares") together with up to 304,403,100 Free Detachable Warrants ("Warrants") at an issue price of RM0.10 per Rights Share on the basis of two (2) Rights Shares together with one (1) free Warrant for every four (4) existing NCB Shares held.

Proforma IV: Utilisation of Proceeds

Proforma IV incorporates the effects in Proforma I to III and the following:

The gross proceeds from the Proposed Rights Issue amounting to RM60,880,620 is expected to be fully utilised in the following manner:-

	RM
Property development cost	40,000,000
Working capital	20,180,620
Estimated corporate exercise expenses	700,000
	60,880,620

The corporate exercise expenses are estimated at RM700,000 and will be set off against the share premium account.

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NEXTNATION COMMUNICATION BERHAD
(Company No: 660055 H)

AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. The Proforma Consolidated Statements of Financial Position have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited consolidated financial statements to illustrate the Proforma Consolidated Statements of Financial Position of NCB assuming that all the transactions mentioned below had taken place on 30 April 2013 (cont'd):-

Maximum Scenario (cont'd)

Proforma V: Full Exercise of Warrants

Proforma V incorporates the effects in Proforma I to IV and the effects of the full exercise of 304,403,100 Warrants at an exercise price of RM0.11.

The gross proceeds arising from the Full Exercise of Warrants amounting to RM33,484,341 are expected to be fully utilised for the working capital.

3. **INVESTMENT PROPERTY**

The movement of the investment property account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013	-
Acquisition	64,000,000
As per Proforma I to IV	64,000,000

Maximum Scenario

	RM
As at 30 April 2013	-
Acquisition	64,000,000
As per Proforma I to V	64,000,000

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

4. PROPERTY DEVELOPMENT COST

The movement of the property development cost account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013/Proforma I to II	-
Utilisation of Proceeds	11,300,000
As per Proforma III to IV	11,300,000

Maximum Scenario

	RM
As at 30 April 2013/Proforma I to III	-
Utilisation of Proceeds	40,000,000
As per Proforma IV to V	40,000,000

5. OTHER RECEIVABLES

The movement of the other receivables account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013	14,258,799
Acquisition – Investment property	(3,200,000)
As per Proforma I to IV	11,058,799

Maximum Scenario

	RM
As at 30 April 2013	14,258,799
Acquisition – Investment property	(3,200,000)
As per Proforma I to V	11,058,799

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6. CASH AND BANK BALANCES

The movement of the cash and bank balances account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013	3,789,356
Acquisition	
- Investment property	(3,200,000)
- Estimated transaction costs	(300,000)
As per Proforma I	289,356
Proposed Rights Issue	12,000,000
As per Proforma II	12,289,356
Utilisation of Proceeds	
- Property development cost	(11,300,000)
- Estimated corporate exercise expenses	(700,000)
As per Proforma III	289,356
Exercise of Warrants	6,600,000
As per Proforma IV	6,889,356

NEXTNATION COMMUNICATION BERHAD
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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6. CASH AND BANK BALANCES (CONT'D)

The movement of the cash and bank balances account is as follows (cont'd):-

Maximum Scenario

	RM
As 30 April 2013	3,789,356
Acquisition	
- Investment property	(3,200,000)
- Estimated transaction costs	(300,000)
As per Proforma I	289,356
Exercise of Existing Warrants and Consideration Warrants	67,155,900
As per Proforma II	67,445,256
Proposed Right Issue	60,880,620
As per Proforma III	128,325,876
Utilisation of Proceeds	
- Property development cost	(40,000,000)
- Estimated corporate exercise expenses	(700,000)
As per Proforma IV	87,625,876
Full Exercise of Warrants	33,484,341
As per Proforma V	121,110,217

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

7. SHARE CAPITAL

The movement of the share capital account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013	65,405,340
Acquisition	19,200,000
As per Proforma I	84,605,340
Proposed Rights Issue	12,000,000
As per Proforma II to III	96,605,340
Exercise of Warrants	6,000,000
As per Proforma IV	102,605,340

Maximum Scenario

	RM
As at 30 April 2013	65,405,340
Acquisition	19,200,000
As per Proforma I	84,605,340
Exercise of Existing Warrants and Consideration Warrants	37,155,900
As per Proforma II	121,761,240
Proposed Rights Issue	60,880,620
As per Proforma III to IV	182,641,860
Full Exercise of Warrants	30,440,310
As per Proforma V	213,082,170

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

8. SHARE PREMIUM

The movement of the share premium account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013	4,551,441
Acquisition	34,560,000
As per Proforma I	39,111,441
Proposed Rights Issue	(2,640,000)
As per Proforma II	36,471,441
Estimated corporate exercise expenses	(700,000)
As per Proforma III	35,771,441
Exercise of Warrants	3,240,000
As per Proforma IV	39,011,441

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

8. SHARE PREMIUM (CONT'D)

The movement of the share premium account is as follows (cont'd):-

Maximum Scenario

	RM
As at 30 April 2013	4,551,441
Acquisition	34,560,000
As per Proforma I	39,111,441
Exercise of Existing Warrants and Consideration Warrants	38,220,405
As per Proforma II	77,331,846
Proposed Rights Issue	(13,393,736)
As per Proforma III	63,983,110
Estimated corporate exercise expenses	(700,000)
As per Proforma IV	63,238,110
Full Exercise of Warrants	16,437,767
As per Proforma V	79,675,877

9. RETAINED EARNINGS

The movement of the retained earnings account is as follows:

Minimum Scenario

	RM
As at 30 April 2013	33,674,017
Acquisition - Estimated transaction costs	(300,000)
As per Proforma I to IV	33,374,017

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AND ITS SUBSIDIARY COMPANIES

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2013 (CONT'D)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

9. RETAINED EARNINGS (CONT'D)

The movement of the retained earnings account is as follows (cont'd):-

Maximum Scenario

	RM
As at 30 April 2013	33,674,017
Acquisition - Estimated transaction costs	(300,000)
As per Proforma I to V	33,374,017

10. WARRANT RESERVE

The movement of the warrant reserve account is as follows:-

Minimum Scenario

	RM
As at 30 April 2013	4,380,405
Acquisition	3,840,000
As per Proforma I	8,220,405
Proposed Rights Issue	2,640,000
As per Proforma II to III	10,860,405
Exercise of Warrants	(2,640,000)
As per Proforma IV	8,220,405

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

10. WARRANT RESERVE (CONT'D)

The movement of the warrant reserve account is as follows (cont'd):-

Maximum Scenario

	RM
As at 30 April 2013	4,380,405
Acquisition	3,840,000
As per Proforma I	8,220,405
Exercise of Existing Warrants and Consideration Warrants	(8,220,405)
As per Proforma II	-
Proposed Rights Issue	13,393,736
As per Proforma III to IV	13,393,736
Full Exercise of Warrants	(13,393,736)
As per Proforma V	-

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

10. WARRANT RESERVE (CONT'D)

The warrant reserve is computed based on a fair value per warrant of RM0.016 – RM0.026 (Existing Warrants), RM0.032 (Consideration Warrants) and RM0.044 (Warrants). The assumptions used to arrive at this fair value are as follows:-

Valuation model	:	Black-Scholes Option Pricing Model
Volatility based on	:	NCB's share price
Tenure	:	10 years
Conversion price	:	RM0.10 (Existing Warrants), RM0.35 (Consideration Warrants) and RM0.11 (Warrants)
Volatility rate	:	2.61% - 2.68% (Existing Warrants), 54.18% (Consideration Warrants) and 39.32% (Warrants)
Risk free rate	:	3.00%
Dividend yield	:	0.00%
Tax rate	:	0.00%
Cut-off date	:	23 May 2012 – 23 July 2012 (Existing Warrants), 29 July 2013 (Consideration Warrants) and 29 November 2013 (Warrants)
Period of volatility assessment	:	Volatility of NCB's share price from 3 January 2011 to 23 July 2012 (Existing Warrants), 6-month volatility, calculate weekly to 29 July 2013 (Consideration Warrants) and 6-month volatility, calculate weekly to 29 November 2013 (Warrants)
Fair value per warrant (RM)	:	RM0.016 – RM0.026 (Existing Warrants), RM0.032 (Consideration Warrants) and RM0.044 (Warrants)
Number of warrants	:	431,559,000 (Minimum Scenario) or 675,962,100 (Maximum Scenario)
Warrant reserve (RM)	:	10,860,405 (Minimum Scenario) or 21,614,141 (Maximum Scenario)

The actual quantum of warrant reserve will only be determined upon issuance of the warrants. As such, the actual quantum may differ from the amount computed above.

DIRECTORS' REPORT

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Registered Office:

The Board of Directors
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Date: 10 December 2013

To: **The Shareholders of Nextnation Communication Berhad ("NCB")**

Dear Sir/Madam,

On behalf of the Board of Directors of NCB, I wish to report that after making due enquiry that during the period from 30 April 2012 (being the date of the last audited consolidated financial statements of NCB and its subsidiary companies ("**Group**") have been made up) to the date hereof (being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus ("**AP**")):

(a) the business of our Group has, in the opinion of our Directors, been satisfactorily maintained;

(b) in the opinion of our Directors, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) save as disclosed in Section 11.3 of this AP, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(e) save as disclosed in Section 11.2 of this AP, there has been no default or any known event that could give rise to a default situation in respect of payments of either interest and/or principal sums in relation to any borrowings since the last audited consolidated financial statements of our Group;

(f) save as disclosed in Section 8.2 of this AP, the risk factors discussed in Section 7 of this AP and Appendix IV of this AP, there have been no material changes in the published reserves and no unusual factors affecting the profits of our Group since the last audited consolidated financial statements of our Group; and

(g) as disclosed above and up to the date of this letter, no other reports are required in relation to items (a) to (f) above.

Yours faithfully
for and on behalf of our Board of Directors of
NEXTNATION COMMUNICATION BERHAD

Tey Por Yee
Chief Executive Officer

FURTHER INFORMATION

1. SHARE CAPITAL

(i) Save for the Rights Shares, Warrants and the new NCB Shares to be issued arising from the exercise of the Warrants, if any, no other securities will be allotted or issued on the basis of this AP later than twelve (12) months after the date of issue of this AP.

(ii) We have only one (1) class of shares, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another as at the date of this AP.

(iii) As at the LPD, save as disclosed below, no person has been or is entitled to be given an option to subscribe for any securities of our Company:

a) There are 251,559,000 outstanding warrants 2012/2022 which are exercisable into 251,559,000 new NCB shares at an exercise price of RM0.10 per NCB Share at any time until 16 May 2022.

b) There are 120,000,000 outstanding warrants 2013/2023 which are exercisable into 120,000,000 new NCB Shares at an issue price of RM0.35 at any time until 16 July 2023.

c) The provisional allotment of Rights Shares and Warrants to be issued pursuant to the Rights Issue.

2. REMUNERATION OF DIRECTORS

The following provisions are reproduced from our Company's Articles of Association. Terms defined in our Articles of Association shall have the same meanings when used herein unless they are otherwise defined herein or the context otherwise requires.

Article 92 – Remuneration of Directors

(1) The Directors shall be paid by way of fees for their services, such fixed sums (if any) as shall from time to time be determined by an ordinary resolution of the Company in general meeting and shall (unless such resolution otherwise provide) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office PROVIDED ALWAYS that:

(a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by way of a commission on or percentage of profits or turnover; and

(b) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

(2) The Directors shall be entitled to be reimbursed all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or general meeting or otherwise howsoever incurred in the course of the performance of their duties as Directors.

(3) Any Directors who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which in the opinion of the Directors are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article.

(4) *Any fee paid to an alternate Director shall be such as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.*

Article 93 – Increase in Directors' remuneration

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where the notice of the proposed increase or proposed new Directors' fees has been given in the notice convening the meeting.

Article 94 – Increase in Directors' remuneration

If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee established by the Board, or shall travel or reside aboard for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) provided that in the case of non-executive Directors of the Company, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

Article 121 – Remuneration of Director holding executive office

The remuneration of a Director holding an executive office pursuant to these Articles shall be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

Save as disclosed below as well as the contracts disclosed in Section 3 of this AP, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this AP:

(i) NCB, had on 16 January 2012 entered into a Heads of Agreement with Inovisi in respect of forming a working group for the purposes of evaluating the feasibility of the project relating to the supply of InoConnect IP Interconnection and InoConnect Bandwidth Optimizer;

(ii) NCB, had on 8 February 2012 entered into the Outsourcing Agreement;

(iii) NDSB, had on 10 April 2012 entered into a SPA with Cyberview Sdn Bhd, in respect of the acquisition of the Cyberjaya Land for a total cash consideration of RM18,523,105.92. This acquisition had been completed on 30 October 2012;

(iv) The deed poll dated 9 May 2012 and a supplemental deed poll dated 23 May 2013 in respect of issuance of up to 251,559,000 Existing Warrants;

(v) PT Elasitas Multi Kreasi Limited, a 99%-owned subsidiary of NCB, had on 4 January 2013, entered into two (2) separate SPAs with PT PHHP Pemasaran Indonesia in respect of the disposal of the following office lots for a total cash consideration of IDR14,000,000,000.00;

(a) Lot No. 6354/Kelapa Gading Timuratas, Kirana Boutique Office, Jalan Kirana Avenue 3, Blok E-1 No. 7, Kelapa Gading Timur, District of Khusus Ibukota Jakarta, Jakarta Utara, Indonesia; and

(b) Lot No. 6355/Kelapa Gading Timuratas, Kirana Boutique Office, Jalan Kirana Avenue 3, Blok E-1 No. 8, Kelapa Gading Timur, District of Khusus Ibukota Jakarta, Jakarta Utara, Indonesia.

These disposals have been completed.

(vi) NCB had on 8 April 2013, entered into a conditional SPA with BLSB for the Acquisition of the Boutique Building for a total purchase consideration of RM64.00 million via the issuance of 192,000,000 new NCB Shares, 120,000,000 warrants and a cash payment of RM6.40 million. This acquisition had been completed on 2 August 2013.

NCB had subsequently on 6 November 2013, entered into a nomination agreement with its wholly owned subsidiary, Nextgram Land Sdn Bhd to nominate Nextgram Land Sdn Bhd to hold all rights, title, interest, benefit and advantages in, to and under this conditional SPA for a consideration of RM64.00 million being recognized in the accounts of NCB as being paid by Nextgram Land Sdn Bhd to NCB subject to the terms and conditions contained therein. In connection therewith, NCB had also on 6 November 2013 entered into a deed of assignment to assign unto Nextgram Land Sdn Bhd all rights, title, interest, benefit and advantages in to and under this conditional SPA. This nomination and assignment had been completed on 2 December 2013.

(vii) Nextgram Resources Sdn. Bhd, a wholly-owned subsidiary of NCB, had on 25 April 2013 entered into a share SPA with PT Bina Tanjung Nusantara to acquire 39,356,250 ordinary shares of IDR100 each, approximately 1.5% shareholding in the capital of PT Goldchild Integritas Abadi for a total cash consideration of IDR43,291,875,000 (equivalent to RM13,787,221) subject to the terms and conditions contained therein. This acquisition has been completed on 24 July 2013;

(viii) The deed poll dated 22 July 2013 in respect of issuance of up to 120,000,000 Existing Warrants; and

(ix) The Deed Poll dated 4 October 2013 in respect of issuance of up to 304,403,100 Warrants.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors have no knowledge of any proceedings pending or threatened against our Group or of any fact likely to give rise to any proceedings which might adversely and materially affect the financial position or business of our Company and/or its subsidiaries.

5. GENERAL

(i) The nature of our Group's business is described in Sections 2 and 6 of Appendix II of this AP. There are no corporations which are deemed related to us by virtue of Section 6 of the Act, except as disclosed in Section 6 of Appendix II of this AP.

(ii) The estimated expenses in relation to the Corporate Exercises (including the Rights Issue) of RM700,000 will be borne by our Company.

(iii) There are no existing or proposed service contracts between our Directors and our Company or our subsidiaries excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this AP.

(iv) Our Directors are not aware of any material information, including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group, except as disclosed in Sections 7 and 9 of this AP.

(v) Save as disclosed in Section 9 and the risk factors mentioned in Section 7 of this AP, the financial conditions and operations of our Group are not affected by any of the following:

(a) known trends or known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the liquidity of our Group increasing or decreasing in any material way;

(b) material commitments for capital expenditure of our Group;

(c) unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from our operations; and

(d) known trends or uncertainties that have had, or that our Group reasonably expects will have, a material favourable or unfavourable impact on our revenues or operating income.

6. CONSENTS

Our Adviser, Due Diligence Solicitors, Share Registrar, Company Secretaries, Principal Banker, and Bloomberg Finance L.P. have given and have not subsequently withdrawn their respective written consents to the inclusion in this AP of their names in the form and context in which such names appear in this AP.

Messrs. SJ Grant Thornton, our Reporting Accountants, has given and has not subsequently withdrawn its written consent to the inclusion in this AP of its name and the proforma consolidated statements of financial position of our Company as at 30 April 2013 together with the Reporting Accountants' letter thereon, and all references thereto, in the form and context in which they appear in this AP.

Messrs. SJ Grant Thornton, our Auditors, has given and has not subsequently withdrawn its written consent to the inclusion in this AP of its name and the audited financial statements for the FYE 2013 together with the auditors' report of our Company, and all references thereto, in the form and context in which they appear in this AP.

7. CONFLICT OF INTEREST

Save as disclosed below, our Advisor, PIVB is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Corporate Exercises.

PIVB is a wholly-owned subsidiary of Public Bank Berhad ("**PBB**") and PBB, has in its ordinary course of business, granted credit facilities to the NCB Group. As at the LPD, the outstanding balance of the total credit facilities extended by PBB to the NCB Group is approximately RM200,000. Notwithstanding that, PIVB is of the view that the aforementioned extension of credit facilities does not result in conflict of interest situation as the outstanding balance of the total credit facilities granted to the NCB Group by PBB, which represents less than 1.00% of the total loan profile of PBB as at 31 December 2012 are considered immaterial.

PIVB, Messrs. Teh & Lee Advocates & Solicitors and SJ Grant Thornton have given their respective confirmations that they have no directorship with our Group nor any equity and/or financial relationship with our Group, our Directors and/or our substantial shareholders that may give rise to a situation of conflict of interest in their capacity as the Adviser, Due Diligence Solicitors and Reporting Accountants, respectively, in connection with the Corporate Exercises.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection at our Registered Office from Mondays to Fridays (excluding public holidays) during business hours for a period of twelve (12) months from the date of this AP:

(i) our M&A;

(ii) our audited financial statements for the past two (2) FYE 2012 and FYE 2013;

(iii) our unaudited financial statements for the three (3) months FPE 31 July 2013;

(iv) our proforma consolidated statements of financial position as at 30 April 2013 together with the Reporting Accountants' letter thereon as set out in Appendix V of this AP;

(v) the letters of undertaking by STSB and TPY dated 14 June 2013 and as referred to in Section 2 of this AP;

(vi) our Directors' Report as set out in Appendix VI of this AP;

(vii) the letters of consent as referred to in Section 6 of this Appendix;

(viii) the material contracts as referred to in Section 3 of this Appendix; and

(ix) the feasibility study for the Planned Development from AISB dated 15 February 2013 and subsequently updated on 15 May 2013.

9. RESPONSIBILITY STATEMENTS

(i) Our Directors have seen and approved this AP together with the NPA and RSF and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable inquires and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading; and

(ii) PIVB, being our Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.