

NEXTNATION COMMUNICATION BERHAD

(Company No. 660055-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 APRIL 2013**

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2013**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APR 2013 RM	PRECEDING YEAR CORRESPONDING QUARTER 30 APR 2012 RM	CURRENT YEAR TO-DATE 30 APR 2013 RM	PRECEDING YEAR CORRESPONDING PERIOD 30 APR 2012 RM
Revenue		26,569,855	15,516,375	79,738,095	62,900,550
Operating expenses		(23,594,053)	(13,310,782)	(68,725,618)	(57,089,884)
Profit from operations		2,975,802	2,205,593	11,012,477	5,810,666
Depreciation and amortisation		(2,657,332)	(1,001,585)	(5,655,857)	(3,256,627)
Finance costs		(85,641)	(112,479)	(484,853)	(499,042)
Interest income		6,362	61,955	33,448	141,935
Gain on disposal of subsidiary company		1,954,074	-	1,954,074	4,700,471
Profit before taxation		2,193,265	1,153,484	6,859,289	6,897,403
Taxation	B4	-	100,076	23,701	-
Profit for the period		2,193,265	1,253,560	6,882,990	6,897,403
Other comprehensive loss, net of tax					
Foreign currency translation		(437,980)	(480,478)	(1,070,271)	(1,266,691)
Total comprehensive income for the period, net of tax		1,755,285	773,082	5,812,719	5,630,712
Profit for the period attributable to:					
Equity holders of the Company		2,382,065	1,418,075	7,040,442	7,977,852
Non-controlling interests		(188,800)	(164,515)	(157,452)	(1,080,449)
Profit for the period		2,193,265	1,253,560	6,882,990	6,897,403
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		1,943,988	937,597	6,545,645	7,747,866
Non-controlling interests		(188,703)	(164,515)	(732,926)	(2,117,154)
Total comprehensive income for the period		1,755,285	773,082	5,812,719	5,630,712
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B13	0.52	0.34	1.29	1.89
- Diluted (sen)		0.46	-	0.92	-

(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 2012 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 20)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AT 30 APR 2013 (UNAUDITED) RM	AT 30 APRIL 2012 (AUDITED) RM
ASSETS		
Non-current assets		
Property, plant and equipment	57,697,838	23,053,912
Research and development expenditure	4,330,849	5,247,475
Intangible assets	1,169,013	1,169,013
Goodwill on consolidation	24,231	920,473
Total non-current assets	63,221,931	30,390,873
Current assets		
Trade and other receivables	67,435,885	51,354,519
Amount due from associate company	2,459,339	2,229,070
Tax recoverable	3,876	585,517
Assets held for sale	352,579	16,197,366
Fixed deposits with a licensed bank	596,801	578,527
Cash and bank balances	4,776,497	4,375,094
Total current assets	75,624,977	75,320,093
Total assets	138,846,908	105,710,966
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent:		
Share capital	65,405,340	45,738,000
Reserves	(341,899)	(706,952)
Retained earnings	40,016,431	32,975,989
	105,079,872	78,007,037
Non-controlling interests	(737,901)	(4,975)
Total equity	104,341,971	78,002,062
LIABILITIES		
Non-current liabilities		
Finance lease payables	402,598	475,929
Term loans	16,454,838	5,240,508
Retirement benefits	102,892	109,530
Total non-current liabilities	16,960,328	5,825,967
Current liabilities		
Trade and other payables	14,004,413	16,905,537
Amount due to associate company	297,600	114,329
Finance lease payables	127,464	306,803
Term loans	1,413,574	485,188
Liabilities directly associate with assets held for sale	257,414	2,569,366
Bank overdraft	1,444,144	1,501,714
Total current liabilities	17,544,609	21,882,937
Total liabilities	34,504,937	27,708,904
Total equity and liabilities	138,846,908	105,710,966
Net assets per share attributable to ordinary equity holders of the Company (sen)	16.07	17.06

(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 2012 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 20)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	<----- Attributable to owners of the parent ----->							
	Non-Distributable				Distributable		Non-controlling interests RM	Total equity RM
	Share capital RM	Share premium RM	Share warrants	Translation reserve RM	Retained earnings RM	Total RM		
At 1 May 2012	45,738,000	6,182,540	-	(6,889,492)	32,975,989	78,007,037	(4,975)	78,002,062
Increased in share capital during the financial year	19,667,340	3,016,863	-	-	-	22,684,203	-	22,684,203
Listing expenses	-	(267,557)	-	-	-	(267,557)	-	(267,557)
Additional in share warrants during the financial year	-	(4,380,405)	4,380,405	-	-	-	-	-
Foreign currency translation	-	-	-	(2,384,253)	-	(2,384,253)	(575,474)	(2,959,727)
Fair value adjustment in share warrants	-	858,579	(858,579)	-	-	-	-	-
Profit for the financial year	-	-	-	-	7,040,442	7,040,442	(157,452)	6,882,990
Total comprehensive income for the financial year	-	858,579	(858,579)	(2,384,253)	7,040,442	4,656,189	(732,926)	3,923,263
At 30 Apr 2013	<u>65,405,340</u>	<u>5,410,020</u>	<u>3,521,826</u>	<u>(9,273,745)</u>	<u>40,016,431</u>	<u>105,079,872</u>	<u>(737,901)</u>	<u>104,341,971</u>
At 1 May 2011	41,580,000	5,558,840	-	(6,659,506)	24,998,137	65,477,471	2,112,179	67,589,650
Transaction with owners: Shares issued during the financial year	4,158,000	623,700	-	-	-	4,781,700	-	4,781,700
Foreign currency translation	-	-	-	(229,986)	-	(229,986)	(1,036,705)	(1,266,691)
Profit for the financial year	-	-	-	-	7,977,852	7,977,852	(1,080,449)	6,897,403
Total comprehensive income for the financial year	-	-	-	(229,986)	7,977,852	7,747,866	(2,117,154)	5,630,712
At 30 Apr 2012	<u>45,738,000</u>	<u>6,182,540</u>	<u>-</u>	<u>(6,889,492)</u>	<u>32,975,989</u>	<u>78,007,037</u>	<u>(4,975)</u>	<u>78,002,062</u>

(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 2012 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 20)

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 30 APR 2013	PRECEDING YEAR CORRESPONDING PERIOD 30 APR 2012
	RM	RM
Cash flows from operating activities		
Profit before taxation	6,859,289	6,897,403
Adjustments for non-cash flow:		
Non-cash items	4,810,614	1,987,516
Finance costs	484,853	498,438
Interest income	(33,448)	(141,935)
Operating profit before working capital changes	<u>12,121,308</u>	<u>9,241,422</u>
Changes in working capital:		
Net change in current assets	(17,712,543)	(12,083,720)
Net change in current liabilities	11,510,267	6,081,848
Cash generated from operations	<u>5,919,032</u>	<u>3,239,550</u>
Interest paid	(1,256,761)	(760,944)
Interest received	33,448	141,935
Income tax refund	581,364	217,893
Net cash from operating activities	<u>5,277,083</u>	<u>2,838,434</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(28,045,502)	(6,191,016)
Proceeds from disposal of asset held for sale	-	4,800,000
Placement of fixed deposits	(18,274)	(16,304)
Proceeds from disposal of property, plant and equipment	4,578,864	72,252
Net cash used in investing activities	<u>(23,484,912)</u>	<u>(1,335,068)</u>
Cash flows from financing activities		
Issued of shares	22,684,203	4,781,700
Payment of listing expenses	(267,557)	-
Repayment of finance payables	(368,913)	(465,864)
Repayment of term loans	(3,473,091)	(4,323,147)
Net cash from/(used in) financing activities	<u>18,574,642</u>	<u>(7,311)</u>
Net decrease in cash and cash equivalents	366,813	1,496,055
Cash and cash equivalents at 1 May	2,873,380	1,474,827
Translation differences	92,160	(97,502)
Cash and cash equivalents at end of period	<u>3,332,353</u>	<u>2,873,380</u>
Cash and cash equivalents comprise of :-		
Cash and bank balances	4,776,497	4,375,094
Bank overdraft	(1,444,144)	(1,501,714)
	<u>3,332,353</u>	<u>2,873,380</u>

(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 2012 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 20)

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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 FRS 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 2012.

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 2012.

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 2012.

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.

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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 2012 to current quarter under review except for the following:-

- (a) Issuance of 45,738,000 warrants on the basis of one (1) warrant for every ten (10) existing ordinary shares of RM0.10 each in the Company held on 15 May 2012 through bonus issue entitlement. The bonus issue had been completed on 23 May 2012;
- (b) Issuance of 137,214,000 new ordinary shares ("Placement Shares 2012") together with 205,821,000 free warrants ("Placement Warrants 2012") issued in five (5) tranches pursuant to the private placement with warrants on the basis of three (3) Placement Warrants 2012 for every two (2) Placement Shares 2012, which was completed on 23 July 2012;
- (c) 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, 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;

- (d) On 18 March 2013 and supplemented on 20 March 2013, 21 March 2013 27 March 2013 and 28 March 2013, proposed private placement of up to 84,615,300 new ordinary shares of RM0.10 each in Company, representing 10% of the issued and paid-up shares capital of the Company, which was completed on 2 April 2013; and
- (e) On 27 June 2013, proposed increase in the authorised share capital of the Company from RM200,000,000 comprising 2,000,000,000 Nextnation shares to RM500,000,000 comprising 5,000,000,000 Nextnation shares.

A7. Dividend paid

There was no dividend paid during the current quarter under review.

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The segmental analysis of revenue and profit before taxation of the Group for the financial period ended 30 April 2013 is tabulated below:

Segment	Malaysia RM	Other Countries RM	Elimination RM	Total RM
Revenue	43,518,484	37,148,766	(929,155)	79,738,095
Profit before taxation	19,480,419	(1,314,509)	(11,045,925)	7,119,985

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 28 June 2013, being the latest practicable date of this Report, there are no material events subsequent to the quarter ended 30 April 2013 except:

- (i) On 29 August 2012 and supplemented on 21 August 2012 and 30 August 2012, a wholly-owned subsidiary of the Company, Nextnation Datacity Sdn. Bhd. ("NDSB") had entered into a Memorandum of Understanding ("MOU") with PT Graha Tunas Makmur ("PTGTM") to collaborate with the objective of jointly developing all that piece of land identified as Lot P58 held under HSD 7817 PT 42830, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan, measuring approximately 5.906 acres ("the Land"), in an exercise to be led by NDSB ("hereinafter referred to as the "Proposed Collaboration").

The main objective of the Proposed Collaboration is to jointly form a working group to undertake such actions as may reasonably be deemed necessary or relevant for the purposes of evaluating the feasibility of the above said joint development ("the Project"), and to formulate the most cost effective basis to jointly develop the Land.

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 in the Project and to supersede the initial MOU dated 29 August 2012.

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A10. Material events subsequent to the end of the quarter (cont'd)

- (a) As at 28 June 2013, being the latest practicable date of this Report, there are no material events subsequent to the quarter ended 30 April 2013 except (cont'd):
- (ii) 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 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 RM64.00 million to be settled via the issuance of 192,000,000 new ordinary shares of RM0.10 each in NCB at the issue price of RM0.30 each together with up to 120,000,000 free detachable warrants and a cash payment of RM6.40 million; and
- (iii) On 2 May 2013, a wholly-owned subsidiary of the Company, Nextgram Resources Sdn Bhd ("NRSB") had entered into an acquisition of 39,356,250 ordinary shares of PT Goldchild Integritas Abadi ("GIA"), representing 1.5% equity interest in GIA, from PT Bina Tanjung Nusantara for a cash consideration of approximately RM13.79 million.

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 40% equity interest in PT Nextnation Prisma ("PTNP")

On 4 May 2011, Nextnation Interactive Sdn. Bhd. ("NI"), a wholly-owned subsidiary of Nextnation had entered into a Management Buyout Agreement to dispose its 40% equity interest, representing 40,000 ordinary shares of PTNP, to Hendra Widjaja and Rafli bin Ridwan for a total consideration of RM3,553,700. Upon completion of the disposal, PTNP shall become an associate company of NI. This disposal has been completed.

b) 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.

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A11. Changes in composition of the Group (cont'd)

Other than as disclosed below, there were no changes in the composition of the Group during the financial year as at 30 April 2013 (cont'd).

e) Disposal of 100% equity interest in NI

On 1 August 2012, Nextnation Network Sdn. Bhd., a wholly-owned subsidiary of Nextnation had entered into a Share Sale and Purchase Agreement (“SSPA”) to dispose its 100% equity interest, representing 100,000 ordinary shares of NI to Vision Eagle Holdings Limited for a total consideration of RM13,000,000. This disposal is pending for completion.

d) Disposal of building in PT Elasitas Multi Kreasi Limited (“PTMK”)

On 4 January 2013, PTEMK, a 99% owned subsidiary of NCB had entered into two (2) separate Sale and Purchase Agreements 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 (equivalent to approximately RM4,578,000. These disposals have been completed.

e) Disposal of 60% equity interest in Elasitas Technologies Limited (“ETL”)

On 29 April 2013, GIL had entered into a SSPA to dispose its 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 28 June 2013.

	RM
<u>Contingent liability :</u>	
Corporate guarantee granted to a subsidiary company	<u>17,868,412</u>

A13. Capital commitments

There were no capital commitments as at 28 June 2013.

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**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 30 April 2013, the Group recorded revenue of RM26.6 million as compared to RM19.0 million which recorded in the previous quarter ended 31 January 2013. The Group's revenue increased by 40.0% as a result of drastic increase in sales of the Company's products and services.

The Group recorded a profit before taxation of RM2.2 million for the current quarter ended 30 April 2013 as compared to profit before taxation of RM1.9 million recorded in the previous quarter ended 31 January 2013. The increase in profit before taxation was mainly contributed by the higher margin products of the Group.

(b) Performance of the financial year-to-date against preceding year corresponding period

The Group's revenue of RM79.7 million in the current 12-month financial period ended 30 April 2013 as compared to RM62.9 million reported in the previous year corresponding period. The Group's revenue increased by 26.7% was mainly due to the drastic increase in sales of the Group's products and services.

The Group recorded a profit before taxation of RM6.9 million in the current 12-month financial period ended 30 April 2013 as compared to RM6.9 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 RM26.6 million in the current 12-month financial period ended 30 April 2013 as compared to RM15.5 million reported in the previous year corresponding period. The Group's revenue increased by 71.6% was mainly due to the drastic increase in sales of the Group's products and services.

The Group recorded a profit before taxation of RM2.2 million in the current 12-month financial period ended 30 April 2013 as compared to RM1.2 million reported in the previous year corresponding period. The increase was mainly due to gain on disposal of a subsidiary company amounting RM2.0 million.

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The prospect for the current year looks promising for the Group despite local election sentiment, sovereign debt concerns in Europe, uncertain US economy, and rising material and food cost. Despite the challenges ahead, the Group is marching for the current financial year with full confidence. The Group will leverage the strength from proven technologies, strong global presence and absolute commitment to innovation. In summary, the newly developed M2CEP key component is well-positioned for its next phase of growth in international and domestic markets. The new outsource data hosting & processing business is expected to perform well in the enterprise software sector, in this regard, we are fully equipped to take advantage of such opportunities. With the continued commitment of the team, the Group is confident that the growth would be positive and sustained.

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 30 April 2013.

B4. Profit before tax is stated after charging/(crediting):

	Quarter ended 30.4.2013 RM	Year to date 30.4.2013 RM
Amortisation of research & development	229,156	916,626
Depreciation of property, plant and equipment	2,428,176	4,739,231
Gain on disposal of asset held for sale	(1,954,075)	(1,954,075)
Gain on disposal of property, plant equipment	327,789	(1,307,209)
Gain or loss on derivatives	-	-
Impairment of assets	-	-
Interest expense	85,641	484,853
Interest income	(6,362)	(33,448)
Provision for and write off of receivables	110,471	110,471
Provision for and write off of inventories	-	-
Realised loss on foreign exchange	10,332	67,729

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	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	30.4.2013 RM	30.4.2012 RM	30.4.2013 RM	30.4.2012 RM
Current period's provision	-	100,076	-	-
Over provision	-	-	23,701	-
Total	-	100,076	23,701	-

B6. Status of corporate proposals and utilisation of proceeds

- (a) As at 28 June 2013, being the latest practicable date of this Report, there were no other corporate proposals announced by the Company and completion except below.
- (b) The Company had proposed the following:
- (i) Bonus issue entitlement of 45,738,000 warrants on the basis of one (1) warrant for every ten (10) existing ordinary shares of RM0.10 each in the Company held on 15 May 2012. The bonus issue had been completed on 23 May 2012;

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(b) The Company had proposed the following (cont'd):

- (ii) Private placement of 137,214,000 new ordinary shares, representing 30% of the issued and paid-up shares capital of the Company, together with 205,821,000 free detachable warrants on the basis of three (3) placement warrants for every two (2) placement shares subscribed. The details of the proposed utilisation of the proceeds raised from the Private Placement is as follows:

	RM'000	Expected time frame for utilisation of proceeds (from the date of listing of the Placement Shares)
To part finance the Proposed Acquisition	3,000	Within 6 months
To part finance capital expenditure	11,247	Within 12 months
For working capital purposes	2,191	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	300	Within 1 month
Total proceeds	16,738	

The private placement with free detachable warrants had been completed on 23 July 2012.

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ENDED 30 APRIL 2013****B6. Status of corporate proposals and utilisation of proceeds (cont'd)**

(b) The Company had proposed the following (cont'd):

- (iii) 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	

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER
ENDED 30 APRIL 2013****B6. Status of corporate proposals and utilisation of proceeds (cont'd)**

(b) The Company had proposed the following (cont'd):

- (iv) Private placement of up to 84,615,300 new ordinary shares of RM0.10 each in Company, representing 10% of the issued and paid-up shares capital of the Company. The details of the proposed utilisation of the proceeds raised from the Private Placement 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 Placement Shares)
To part finance the property development cost	4,900	4,900	Within 24 months
For working capital purposes	986	3,502	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	60	60	Within 6 months
Total proceeds	5,946	8,462	

The private placement had been completed on 2 April 2013.

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Save as disclosed below, the Group does not have any loan outstanding or created, convertible debt securities, mortgages or charges outstanding as at 30 April 2013.

Secured borrowings	Payable within 12 months	Payable after 12 months
Denominated in		
Malaysian Ringgit	1,536,612	16,844,582
Indonesia Rupiah	14,276,000 <i>(equivalent to RM4,426)</i>	41,468,000 <i>(equivalent to RM12,855)</i>

The above borrowings are in both the Malaysian and Indonesian 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 28 June 2013.

B9. Realised and unrealised profits

	As at 30.4.2013 RM	As at 30.04.2012 RM
Total accumulated profits/losses of the Company and its subsidiary companies:		
- Realised	52,727,816	(6,895,532)
- Unrealised	(1,414,521)	(508,001)
	51,313,295	(7,403,533)
Total share of accumulated losses from the associate company:		
- Realised	(250,939)	(1,359,019)
	51,062,356	(8,762,522)
Less: Consolidation adjustments	(11,045,925)	41,738,541
Total retained earnings as per Consolidated Statements of Financial Position	40,016,431	32,975,989

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B10. Material litigation

On 22 January 2009, a wholly-owned subsidiary of the Company, Usape Nelson Wireless Sdn Bhd (“Usape” or “Plaintiff”) served a Writ of Summons and Statement of Claim on Macro Kiosk Berhad claiming for RM20,046,338.52 (“MKB” or “Defendant”) due to breach of a Partnership Agreement entered into between Usape and MKB, dated 2 July 2004, breach of trust, losses and damages. On 10 March 2009, the Defendant entered their Statement of Defence. The Plaintiff thereon had filed an application for interim payment on 21 July 2009 to seek the Court’s order for the Defendant to pay RM1,028,017.07 prior to the full disposal of the trial. The Plaintiff’s application was allowed by the Court on 13 January 2010 and the interim payment of RM1,028,017.07 has been made by the Defendant accordingly.

On 30 April 2010, all cause papers were filed in the High Court and preparations for a full trial were completed. The trial was held on 23 & 24 February 2011.

On 14 April 2011, the Court dismissed the Plaintiff’s claims for loss of profit and exemplary damages on the grounds that there was insufficient evidence provided by the witness and documents on the said claim (“Judgment”).

Defendant (MKB) had also filed a Bill of Cost on the Judgment made on 14 April 2011 and the Hearing for the said Bill of Cost has been fixed on 16 August 2011 where it was not attended by Usape’s solicitor and again on 23 August 2011 whereby it was also not attended by Usape’s solicitor. The court thereafter rewarded the Bill of Cost to Defendant on 23 August 2011 amounting to RM338,009.30 and an Alokatur for the sum of RM27,046.00.

Usape had on 11 November 2011 appoint a new Solicitor (Messrs Hafarizam Wan & Aisha Mubarak) to take over the conduct of this matter from the previous solicitors Messrs L Y LU & Co. and thereafter had instructed the new solicitors to file the following:-

1. a Notice to file an Appeal out of time to the High Court Judgment made on 14 April 2011;
2. a Summons in Chambers to Strike out the Defendant’s Order on the Bill of Costs dated 23 August 2011.

On 13 December 2011, Usape had been served with a Notice of Winding-Up under section 218 of the Companies Act 1965 dated 5 December 2011 by Messrs Skrine (solicitors for Macro Kiosk Bhd). The 218 Notice was to execute the Defendant’s Order on the Bill of Cost dated 23 August 2011 where the Defendant demand for payment in the sum of RM374,496.73 in total within three (3) weeks from the date of receipt of the same.

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B10. Material litigation (cont'd)

Usape had been advised to write to Messrs Skrine to stay all proceedings until Usape's Applications to Court of Appeal and High Court is cleared. Usape had vide its solicitors Messrs Hafarizam Wan & Aisha Mubarak written a letter dated 30 December 2011 confirming of a stay of the Section 218 Companies Act, 1965 Notice until the completion of the application for the setting aside of the bill of costs.

The Defendant (MKB) had vide its solicitors filed an application for Security for Costs which was fixed for hearing on 19 January, 2012. On 19 January, 2012, the Court had postponed the matter to 1 March 2012 pending the exhaustion by the Parties of all Affidavits and Skeletal Submissions.

On 1 March 2012, the Court had fixed the matter for decision on 29 March 2012 pending a filing by the Parties of respective reply to Written Submissions duly filed. The Court had dismissed the Security for Costs application with no order as to costs.

The Court of Appeal had on 12 April 2012 heard the Company application for extension of time and has dismissed the application with costs of RM1,000.

The High Court has also fixed the hearing of the Application for the setting aside of the Allocatur order on 9 May 2012. On 9 May 2012, the High Court had fixed the matter for decision on 17 May 2012. The Court had on 17 May 2012 allowed the Company's application to set aside the Allocatur Order with no order as to costs.

On 28 May 2012, the Company had vide its Solicitors, Messrs Hafarizam Wan & Aisha Mubarak, filed in a Motion for Leave to Appeal to the Federal Court and is currently still waiting for a hearing date from the Federal Court.

The Defendant had 4 June 2012 forwarded their sealed Notice for Hearing to fix Costs which was fixed for hearing on 20 June 2012. The Court had on 20 June 2012 ordered the Parties to file their Written Submissions for the hearing on 26 July 2012 and subsequently fixed for decision on 10 September 2012.

On 10 September 2012, the Court has awarded a getting up fees of RM45,000 with an interest thereon at the rate of 4% per annum from the date of Judgment until the date of settlement. The Court has further fixed 18 September 2012 for clarification for agreed amount on all other items to the Cost.

On 18 September 2012, after clarification, the Court further awarded an ancillary costs of RM15,107.80 and an allocator fees of RM4,814.00 to the Defendant.

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B10. Material litigation (cont'd)

The Company has been informed by its external legal counsel that the Federal Court had at its on 16 January 2013, dismissed the Leave Application on the basis that there were no novel issue although an affidavit from the previous Counsel has admitted to negligence.

The Court further advised that a remedy is possible against the previous Counsel.

The Lease Application was dismissed with costs of RM10,000.00.

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)	2,382,065	7,040,442
Weighted average number of shares	459,563,804	545,337,315
Basic profit per shares (sen)	0.52	1.29

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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)	2,382,065	7,040,442
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)	0.46	0.92