

13. ACCOUNTANTS' REPORT

Shamsir Jasani Grant Thornton

Chartered Accountants

(PREPARED FOR INCLUSION IN THIS PROSPECTUS)

Date: **29 JUL 2005**

The Board of Directors

Nextnation Communication Berhad
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Gentlemen,

**NEXTNATION COMMUNICATION BERHAD ("NEXTNATION" OR "COMPANY")
ACCOUNTANTS' REPORT**

1. INTRODUCTION

This report has been prepared by Shamsir Jasani Grant Thornton, an approved company auditors, for inclusion in the Prospectus of Nextnation to be dated 9 August 2005, in connection with the listing of and quotation for the entire issued share capital of the Nextnation on the MESDAQ Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

2. GENERAL INFORMATION

2.1 Background

Nextnation was incorporated and domiciled in Malaysia under the Companies Act, 1965 on 20 July 2004 as a public limited liability company.

2.2 Listing Exercise

In conjunction with and as an integral part of the listing of Nextnation on the MESDAQ Market of the Bursa Securities, the Company undertook or will undertake the following:-

- (i) Acquisition of 3,000,000 ordinary shares of RM1.00 each in Nextnation Network Sdn Bhd ("NN"), representing the entire equity interest in NN, for a purchase consideration of RM9,399,998 fully satisfied by the issuance of 9,399,998 new ordinary share of RM1.00 each in Nextnation;

The acquisition of NN was completed on 28 April 2005.

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13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton **2. GENERAL INFORMATION (CONT'D)****2.2 Listing Exercise (cont'd)**

- (ii) Share split for the entire issued and paid-up share capital of Nextnation after the abovementioned acquisition, comprising 9,400,000 ordinary shares of RM1.00 each into 94,000,000 ordinary shares of RM0.10 each;

The share split was completed on 29 April 2005.

- (iii) Public issue of 32,000,000 new ordinary shares of RM0.10 each at an issue price of RM0.78 per share payable in full on application comprising:-
- (a) 4,800,000 new ordinary shares of RM0.10 each available for application by eligible Directors, employees and business associates of Nextnation and its subsidiary companies ("Nextnation Group" or "Group");
 - (b) 24,000,000 new ordinary shares of RM0.10 each by way of private placement to the identified investors; and
 - (c) 3,200,000 new ordinary shares of RM0.10 each available for application by the public;
- (iv) Bonus issue of 126,000,000 new ordinary shares of RM0.10 each in Nextnation on the basis of one (1) new ordinary shares of RM0.10 each for every one (1) existing ordinary shares of RM0.10 each held after the abovementioned public issue via the capitalisation of RM12,600,000 from the share premium account arising from the said public issue; and
- (v) Listing of and quotation for the entire enlarged issued and paid-up share capital of Nextnation, comprising 252,000,000 ordinary shares of RM0.10 each on the MESDAQ Market of Bursa Securities.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.3 Share Capital

The present authorised share capital of the Company is RM200,000,000 comprising 2,000,000,000 ordinary shares of RM0.10 each. The changes in the Nextnation's authorised share capital since its incorporation are as follow:-

Date of Creation	No. of Shares	Par value (RM)	Share type	Cumulative Total (RM)
20.7.2004	100,000	1	Ordinary	100,000
28.4.2005	200,000,000	1	Ordinary	200,000,000
29.4.2005	2,000,000,000	0.1	Subdivision of par value from RM1.00 to RM0.10 per share	200,000,000

The present issued and paid-up share capital of the Company is RM9,400,000 comprising 94,000,000 ordinary shares of RM0.10 each. The changes in the Nextnation's issued and fully paid-up share capital since its incorporation are as follows:-

Date of Allotment	No. of Shares	Par value (RM)	Consideration	Cumulative Total (RM)
20.07.2004	2	1	Subscribers' shares	2
28.4.2005	9,399,998	1	Acquisition of Nextnation Network Sdn Bhd	9,400,000
29.4.2005	94,000,000	0.1	Subdivision of par value from RM1.00 to RM0.10 per share	9,400,000

Upon completion of the public issue and bonus issue mentioned in Section 2.2 above, the issued and paid-up share capital of the Company will be RM25,200,000 comprising 252,000,000 ordinary shares of RM0.10 each.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.4 Principal Activity

The principal activities of Nextnation are investment holding company.

The principal activities of the subsidiary companies and associate company are as follow:-

<u>Name of Companies</u>	<u>Effective Ownership</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Date of incorporation</u>
NN	100%	Programming services, software development, internet consulting and provision of information technology services	Malaysia	20 April 2000
<u>Subsidiary companies of NN</u>				
Nexnation Collections Sdn. Bhd. ("NC")	100%	Development and distribution of retail mobile application solutions	Malaysia	23 March 2004
Usape Nelson Wireless Sdn. Bhd. ("USAPE")	100%	Content aggregator	Malaysia	22 June 2004
Taffu Media Sdn. Bhd. ("TAFFU")	100%	Provision of media advertising, publishing and printing services	Malaysia	22 June 2004
Godynamic Investments Limited ("GI")	51%	Investment holding	British Virgin Island	2 July 2004
Nextnation Interactive Sdn. Bhd. (formerly known as Trident Magic Sdn Bhd) ("NI")	100%	Provision of business development and strategic partnership activities	Malaysia	23 September 2004
Dubaitech Marketing Sdn. Bhd. ("DM")	100%	Content aggregator	Malaysia	28 September 2004
Kotaemas Edaran Sdn. Bhd. ("KE")	100%	Content aggregator	Malaysia	28 September 2004
<u>Subsidiary companies of Taffu</u>				
Pudong Oversea Capital Sdn. Bhd. ("PO")	100%	Provision of media advertising, publishing and printing services	Malaysia	28 September 2004
Divamas Promotions Sdn. Bhd. ("DP")	100%	Provision of media advertising, publishing and printing services	Malaysia	15 October 2004
Gang Media Sdn. Bhd. ("GM")	100%	Advertising and publishing activities (currently dormant)	Malaysia	31 January 2005

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.4 Principal Activity (cont'd)

<u>Name of Companies</u>	<u>Effective Ownership</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Date of incorporation</u>
<u>Subsidiary company of GI</u>				
Code Wireless Pte Ltd ("CW")	100%	Mobile application service provider	Singapore	28 September 2004
<u>Subsidiary company of CW</u>				
Ozura Pte Ltd ("OP")	100%	Games and content development, aggregation and distribution (currently dormant)	Singapore	31 December 2004
<u>Associate company of GI</u>				
Siamtouch Wireless Ltd ("SW")	49%	Mobile application service provider (currently dormant)	Thailand	1 October 2004

2.5 Share Capital History of the Subsidiary Companies

(a) NN

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
20.04.2000	100,000	1	100,000
02.01.2004	400,000	1	500,000
15.07.2004	4,500,000	1	5,000,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
20.04.2000	2	1	Subscribers' shares	2
21.04.2000	24,998	1	Cash	25,000
15.01.2004	275,000	1	Cash	300,000
15.07.2004	1,200,000	1	Bonus issue	1,500,000
16.07.2004	1,500,000	1	Cash	3,000,000

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.5 Share Capital History of the Subsidiary Companies (cont'd)

(b) NC

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
23.03.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
23.03.2004	2	1	Subscribers' shares	2
27.04.2004	998	1	Capitalisation of advances	1,000

(c) USAPE

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
22.06.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
22.06.2004	2	1	Subscribers' shares	2

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.5 Share Capital History of the Subsidiary Companies (cont'd)

(d) TAFFU

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
22.06.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
22.06.2004	2	1	Subscribers' shares	2
15.09.2004	99,998	1	Cash	100,000

(e) GI

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (USD)	Cumulative total (USD)
02.07.2004	50,000	1	50,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (USD)	Consideration	Cumulative total (USD)
02.07.2004	1	1	Subscribers' shares	1
07.10.2004	99	1	Cash	100

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.5 Share Capital History of the Subsidiary Companies (cont'd)

(f) NI

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
23.09.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
23.09.2004	2	1	Subscribers' shares	2
22.04.2005	4,998	1	Cash	5,000

(g) DM

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
28.09.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
28.09.2004	2	1	Subscribers' shares	2
20.12.2004	99,998	1	Cash	100,000

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.5 Share Capital History of the Subsidiary Companies (cont'd)

(h) KE

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
28.09.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
28.09.2004	2	1	Subscribers' shares	2
27.12.2004	99,998	1	Cash	100,000

(i) PO

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
28.09.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
28.09.2004	2	1	Subscribers' shares	2
24.12.2004	99,998	1	Cash	100,000

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.5 Share Capital History of the Subsidiary Companies (cont'd)

(j) DP

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
15.10.2004 /	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
15.10.2004	2	1	Subscribers' shares	2
28.12.2004	99,998	1	Cash	100,000

(k) GM

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (RM)	Cumulative total (RM)
31.01.2005	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (RM)	Consideration	Cumulative total (RM)
31.01.2005	2	1	Subscribers' shares	2
04.03.2005	28	1	Cash	30

13. ACCOUNTANTS' REPORT (Cont'd)

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2. GENERAL INFORMATION (CONT'D)

2.5 Share Capital History of the Subsidiary Companies (cont'd)

(l) CW

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (SGD)	Cumulative total (SGD)
28.09.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (SGD)	Consideration	Cumulative total (SGD)
28.09.2004	1,000	1	Cash	1,000

(m) OP

The changes in the Company's authorised share capital since its incorporation are as follows:-

Date of creation	No. of share	Par value (SGD)	Cumulative total (SGD)
31.12.2004	100,000	1	100,000

The changes in the Company's issued and fully paid-up share capital since its incorporation are as follows:-

Date of allotment	No. of shares	Par value (SGD)	Consideration	Cumulative total (SGD)
31.12.2004	1,000	1	Cash	1,000

13. ACCOUNTANTS' REPORT (Cont'd)

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3. FINANCIAL STATEMENTS AND AUDITORS

We have been appointed as auditors for Nextnation, NC, USAPE, TAFU, NI, DM, KE, PO, DP and GM since the first year of incorporation and have reported on the financial statements without qualification. In addition, our Auditors' Report did not include any emphasis of matter.

The financial statements of NN for all the periods/years under review were audited by another firm of auditors except for year/period ended 30 April 2004 and 30 April 2005 which were audited by us and were all reported without qualification. The Auditors' Report did not include any emphasis of matter.

The financial statements for CW and OP for the period under review were audited by another firm and were reported without any qualification.

4. ACCOUNTING POLICIES AND STANDARDS

This report is prepared on a basis consistent with the accounting policies normally adopted by Nextnation and in accordance with applicable approved accounting standards in Malaysia.

There were no significant changes in accounting policies by Nextnation and the Group for the financial periods/years under review.

5. DIVIDENDS

No dividends have been paid or declared by Nextnation for the financial periods/years under review.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS

6.1 NEXTNATION Proforma Group

The proforma consolidated financial results of Nextnation Group for the five (5) periods/years ended 30 April 2001, 2002, 2003, 2004 and 30 April 2005 are provided for illustrative purposes based on the audited financial statements of Nextnation, assuming that the Nextnation Group has been in existence since the beginning of the financial period ended 30 April 2001.

	20 April 2000 to 30 April 2001 RM	For the financial year ended 30 April			
		2002 RM	2003 RM	2004 RM	2005 RM
Revenue	-	9,349	1,940	2,896,696	45,124,871
Gross profit/(loss)	-	9,349	(1,307)	1,943,055	15,247,607
Profit/(loss) before depreciation, amortisation, interest and taxation	-	1,835	(4,530)	1,565,121	13,231,604
Depreciation	-	-	-	(57,040)	(180,877)
Amortisation	-	-	-	(243,799)	(334,829)
Interest expenses	-	-	-	(9,204)	(21,202)
Share of result of jointly controlled entity	-	-	-	-	(70,366)
Share of result of associate Company	-	-	-	-	(6,252)
Profit/(loss) before taxation but after depreciation, amortisation and interest	-	1,835	(4,530)	1,255,078	12,618,078
Taxation	-	(514)	(313)	-	(115,000)
Profit after taxation	-	1,321	(4,843)	1,255,078	12,503,078
Minority interest	-	-	-	-	186
Net profit for the periods/years	-	1,321	(4,843)	1,255,078	12,503,264

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.1 NEXTNATION Proforma Group (cont'd)

	20 April 2000 to 30 April 2001 RM	For the financial year ended 30 April			
		2002 RM	2003 RM	2004 RM	2005 RM

Number of ordinary share of RM0.10 each in issue (based on enlarged share capital of Nextnation before public issue and bonus issue) ('000)	94,000	94,000	94,000	94,000	94,000
Net earnings/(loss) per share based on enlarged share capital of Nextnation before public issue and bonus issue (sen)	NA	*	*	1.34	13.30

Note:-

* The net earnings/(loss) per share based on enlarged share capital of Nextnation before public issue and bonus issue is negligible.

- (i) Nextnation Group's consolidated financial statements reflect external transaction only and all significant inter-company transactions are eliminated on consolidation.
- (ii) There were no extraordinary items in all the periods/years under review.
- (iii) There was no revenue generated during the financial period ended 30 April 2001.
- (iv) For the financial year ended 30 April 2002, revenue generated for the year from IT services amounted to RM9,349. Gross profit margin was 100% as there were no direct costs incurred. Significant expenses during the year were preliminary and pre-operating expenses written off amounting to RM3,120 and recruitment expenses of RM2,576. Pre-tax profit for the year amounted to RM1,835.
- (v) For the financial year ended 30 April 2003, revenue decreased by 79% to RM1,940 as Nextnation Group focused on researching and securing other long term sources of revenue. As a result, Nextnation Group incurred a gross loss of RM1,307 and pre-tax loss of RM4,530.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton **6. SUMMARISED INCOME STATEMENTS (CONT'D)****6.1 NEXTNATION Proforma Group (cont'd)**

- (vi) For the financial year ended 30 April 2004, both revenue and gross profit increased significantly to RM2,896,696 and RM1,699,256 respectively as Nextnation Group commercialised the developed products that generate revenue by providing a mobile application platform, which enables wireless communication and mobile application services using mobile technology. Although the generation of revenue commenced towards the second half of the year, i.e. since the commercialisation of the developed products, the overwhelming demand for the product devised by Nextnation Group resulted in the significant amount of revenue generated. Cost of sales increased in line with the increase in revenue generated during the year. The major contributors of the cost of sales are advertising and amortisation of research and development expenditure which amounted to RM922,773 and RM243,799 respectively. Pre-tax profit for the year was RM1,255,078. No taxation expenses were incurred as the Group utilised the double deduction arising from the research and development expenditure.
- (vii) For the year ended 30 April 2005, the Group registered strong revenue growth of 1,458% to achieve a record of RM45.1 million from the previous financial year. The growth was attribute to increasing demand on other data services by mobile users, market acceptance of the Group's platform and aggressive marketing and promotion strategy adopted by the Group. The Group's revenue during the period was mainly contributed by SOHOMOBILE™ and SMSJET™.

The Group registered a profit after tax and minority interest growth of 896% from the previous financial year to RM12.5 million for the year ended 30 April 2005, which is in tandem with the strong growth of the Malaysian mobile telecommunications sector and strong revenue growth enjoyed by the Group. The disproportionate tax rate was a result of pioneer status enjoyed by a subsidiary company, thus resulting in its profit being exempted from tax.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.2 NEXTNATION

The following table sets out the summary of the results of Nextnation based on the audited financial statements of Nextnation.

Period ended	9 Months Period Ended 30/04/05 RM
Revenue	-
Gross profit	-
Loss before depreciation, amortisation, interest and taxation	(17,936)
Depreciation	-
Amortisation	-
Interest expenses	-
Loss before taxation but after depreciation, amortisation and interest	(17,936)
Taxation	-
Loss after taxation	(17,936)
Weighted average number of ordinary shares in issued (shares)	20
Gross loss per share (RM)	(896.8)
Net loss per share (RM)	(896.8)

There were no exceptional or extraordinary items in the financial period under review.

The loss incurred above was mainly due to expenses incurred in relation to the incorporation of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton 

6. SUMMARISED INCOME STATEMENTS (CONT'D)

We set out below the audited results of the subsidiary companies within the Group for the relevant financial periods/years:-

6.3 NN

The following table sets out the summary of the results of NN based on the audited financial statements of NN.

	20 April 2000 to 30 April 2001 RM	For the financial year ended 30 April			
		2002 RM	2003 RM	2004 RM	2005 RM
Revenue	-	9,349	1,940	2,896,696	45,124,853
Gross profit/(loss)	-	9,349	(1,307)	1,943,055	14,493,512
Profit/(loss) before depreciation, amortisation, interest and taxation	-	1,835	(4,530)	1,565,121	12,864,991
Depreciation	-	-	-	(57,040)	(176,443)
Amortisation	-	-	-	(243,799)	(334,829)
Interest expenses	-	-	-	(9,204)	(21,202)
Profit/(loss) before taxation but after depreciation, amortisation and interest	-	1,835	(4,530)	1,255,078	12,332,517
Taxation	-	(514)	(313)	-	-
Profit/(loss) after taxation	-	1,321	(4,843)	1,255,078	12,332,517
Weighted average number of ordinary shares in issue (shares)	24,933	25,000	25,000	105,616	2,683,562
Gross earnings/(loss) per share (RM)	-	0.07	(0.18)	11.88	4.60
Net earnings/(loss) per share (RM)	-	0.05	(0.19)	11.88	4.60

There were no exceptional or extraordinary items in the financial period under review.

For the year ended 30 April 2005, the Company registered strong revenue growth of 1,458% to achieve a record of RM45.1 million from the previous financial year. The growth was attribute to increasing demand on other data services by mobile users, market acceptance of the Company's platform and aggressive marketing and promotion strategy adopted by the Company. The Company's revenue during the period was mainly contributed by SOHOMOBILE™ and SMSJET™.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.4 NC

The following table sets out the summary of the results of NC based on the audited financial statements of NC.

Period ended	13 months period ended 30/04/05 RM
Revenue	18
Gross loss	(1,982)
Loss before depreciation, amortisation, interest and taxation	(8,409)
Depreciation	-
Amortisation	-
Interest expenses	-
Loss before taxation but after depreciation, amortisation and interest	(8,409)
Taxation	-
Loss after taxation	(8,409)
Weighted average number of ordinary shares in issued (shares)	916
Gross loss per share (RM)	(9.18)
Net loss per share (RM)	(9.18)

There were no exceptional or extraordinary items in the financial period under review.

The loss incurred above was mainly due to expenses incurred in relation to the initial set up cost of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.5 USAPE

The following table sets out the summary of the results of USAPE based on the audited financial statements of USAPE.

Period ended	10 Months Period Ended 30/04/05 RM
Revenue	14,611,824
Gross profit	112,214
Profit before depreciation, amortisation, interest and taxation	17,972
Depreciation	-
Amortisation	-
Interest expenses	-
Profit before taxation but after depreciation, amortisation and interest	17,972
Taxation	(8,000)
Profit after taxation	9,972
Weighted average number of ordinary shares in issued (shares)	2
Gross earnings per share (RM)	8,986
Net earnings per share (RM)	4,986

There were no exceptional or extraordinary items in the financial period under review.

The revenue of the Company mainly consists of inter-company sales.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.6 TAFFU

The following table sets out the summary of the results of TAFFU based on the audited financial statements of TAFFU.

Period ended	10 Months Period Ended 30/04/05 RM
Revenue	12,711,521
Gross profit	288,061
Profit before depreciation, amortisation, interest and taxation	260,366
Depreciation	-
Amortisation	-
Interest expenses	-
Profit before taxation but after depreciation, amortisation and interest	260,366
Taxation	(53,000)
Profit after taxation	207,366
Weighted average number of ordinary shares in issued (shares)	72,757
Gross earnings per share (RM)	3.58
Net earnings per share (RM)	2.85

There were no exceptional or extraordinary items in the financial period under review.

The revenue of the Company mainly consists of inter-company sales.

13. ACCOUNTANTS' REPORT (Cont'd)

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6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.7 GI

The following table sets out the summary of the results of GI based on the audited financial statements of GI.

Period ended	10 Months Period Ended 30/04/05 RM
Revenue	-
Gross profit	-
Loss before depreciation, amortisation, interest and taxation	(11,168)
Depreciation	-
Amortisation	-
Interest expenses	-
Loss before taxation but after depreciation, amortisation and interest	(11,168)
Taxation	-
Loss after taxation	(11,168)
Weighted average number of ordinary shares in issued (shares)	68
Gross loss per share (RM)	(164.24)
Net loss per share (RM)	(164.24)

There were no exceptional or extraordinary items in the financial period under review.

The loss incurred above was mainly due to expenses incurred in relation to the initial set up cost of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton 

6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.8 NI

The following table sets out the summary of the results of NI based on the audited financial statements of NI.

Period ended	7 Months Period Ended 30/04/05 RM
Revenue	-
Gross profit	-
Loss before depreciation, amortisation, interest and taxation	(103,039)
Depreciation	-
Amortisation	-
Interest expenses	-
Loss before taxation but after depreciation, amortisation and interest	(103,039)
Taxation	-
Loss after taxation	(103,039)
Weighted average number of ordinary shares in issued (shares)	184
Gross loss per share (RM)	(559.99)
Net loss per share (RM)	(559.99)

There were no exceptional or extraordinary items in the financial period under review.

The loss incurred above was mainly due to expenses incurred in relation to the initial set up cost of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton 

6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.9 DM

The following table sets out the summary of the results of DM based on the audited financial statements of DM.

Period ended	7 Months Period Ended 30/04/05 RM
Revenue	7,201,920
Gross profit	87,095
Profit before depreciation, amortisation, interest and taxation	79,201
Depreciation	-
Amortisation	-
Interest expenses	-
Profit before taxation but after depreciation, amortisation and interest	79,201
Taxation	(16,000)
Profit after taxation	63,201
Weighted average number of ordinary shares in issued (shares)	61,216
Gross earnings per share (RM)	1.29
Net earnings per share (RM)	1.03

There were no exceptional or extraordinary items in the financial period under review.

The revenue of the Company mainly consists of inter-company sales.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton 

6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.10 KE

The following table sets out the summary of the results of KE based on the audited financial statements of KE.

Period ended	7 Months Period Ended 30/04/05 RM
Revenue	3,322,026
Gross profit	56,180
Profit before depreciation, amortisation, interest and taxation	50,384
Depreciation	-
Amortisation	-
Interest expenses	-
Profit before taxation but after depreciation, amortisation and interest	50,384
Taxation	(10,000)
Profit after taxation	40,384
Weighted average number of ordinary shares in issued (shares)	57,945
Gross earnings per share (RM)	0.87
Net earnings per share (RM)	0.70

There were no exceptional or extraordinary items in the financial period under review.

The revenue of the Company mainly consists of inter-company sales.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton 

6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.11 PO

The following table sets out the summary of the results of PO based on the audited financial statements of PO.

Period ended	7 Months Period Ended 30/04/05 RM
Revenue	2,017,522
Gross profit	87,269
Profit before depreciation, amortisation, interest and taxation	61,426
Depreciation	-
Amortisation	-
Interest expenses	-
Profit before taxation but after depreciation, amortisation and interest	61,426
Taxation	(13,000)
Profit after taxation	48,426
Weighted average number of ordinary shares in issued (shares)	59,347
Gross earnings per share (RM)	1.04
Net earnings per share (RM)	0.82

There were no exceptional or extraordinary items in the financial period under review.

The revenue of the Company mainly consists of inter-company sales.

13. ACCOUNTANTS' REPORT (Cont'd)Shamsir Jasani Grant Thornton **6. SUMMARISED INCOME STATEMENTS (CONT'D)****6.12 DP**

The following table sets out the summary of the results of DP based on the audited financial statements of DP.

Period ended	6 Months Period Ended 30/04/05 RM
Revenue	2,603,572
Gross profit	125,259
Profit before depreciation, amortisation, interest and taxation	73,215
Depreciation	-
Amortisation	-
Interest expenses	-
Profit before taxation but after depreciation, amortisation and interest	73,215
Taxation	(15,000)
Profit after taxation	58,215
Weighted average number of ordinary shares in issued (shares)	62,437
Gross earnings per share (RM)	1.17
Net earnings per share (RM)	0.93

There were no exceptional or extraordinary items in the financial period under review.

The revenue of the Company mainly consists of inter-company sales.

13. ACCOUNTANTS' REPORT (Cont'd)

Shamsir Jasani Grant Thornton 

6. SUMMARISED INCOME STATEMENTS (CONT'D)

6.13 CW

The following table sets out the summary of the results of CW based on the audited financial statements of CW.

Period ended	7 Months Period Ended 30/04/05 RM
Revenue	-
Gross loss	(19,532)
Loss before depreciation, amortisation, interest and taxation	(29,631)
Depreciation	(4,434)
Amortisation	-
Interest expenses	-
Loss before taxation but after depreciation, amortisation and interest	(34,065)
Taxation	-
Loss after taxation	(34,065)
Weighted average number of ordinary shares in issued (shares)	1,000
Gross loss per share (RM)	(34.07)
Net loss per share (RM)	(34.07)

There were no exceptional or extraordinary items in the financial period under review.

The loss incurred above was mainly due to expenses incurred in relation to the initial set up cost of the Company.

The audited financial statements of CW are expressed in Singapore Dollar and have been converted to Ringgit Malaysia at the exchange rate prevailing as at 30 April 2005 of SGD1 to RM2.33 for the purpose in this report.

13. ACCOUNTANTS' REPORT (Cont'd)Shamsir Jasani Grant Thornton **6. SUMMARISED INCOME STATEMENTS (CONT'D)****6.14 OP**

The following table sets out the summary of the results of OP based on the audited financial statements of OP.

Period ended	4 Month Period Ended 30/04/05 RM
Revenue	-
Gross profit	-
Loss before depreciation, amortisation, interest and taxation	(1,164)
Depreciation	-
Amortisation	-
Interest expenses	-
Loss before taxation but after depreciation, amortisation and interest	(1,164)
Taxation	-
Loss after taxation	(1,164)
Weighted average number of ordinary shares in issued (shares)	1,000
Gross loss per share (RM)	(1.16)
Net loss per share (RM)	(1.16)

There were no exceptional or extraordinary items in the financial period under review.

The loss incurred above was mainly due to expenses incurred in relation to the initial set up cost of the Company.

The audited financial statements of OP are expressed in Singapore Dollar and have been converted to Ringgit Malaysia at the exchange rate prevailing as at 30 April 2005 of SGD1 to RM2.33 for the purpose in this report.