

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FORTH QUARTER ENDED 30 APRIL 2007**

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2007**

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2007	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2006	CURRENT YEAR TO-DATE 30 APRIL 2007	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2006 (AUDITED)
		RM	RM	RM	RM
Revenue		21,533,370	17,781,798	100,294,575	67,444,916
Operating expenses		(20,917,207)	(12,984,031)	(82,274,886)	(49,504,042)
Profit from operations		616,163	4,797,767	18,019,689	17,940,874
Depreciation and amortisation		(843,704)	(393,552)	(2,326,422)	(1,200,200)
Finance costs		(66,016)	(7,344)	(167,590)	(48,973)
Interest income		44,812	66,309	267,540	178,657
Reversal of share of result of:- Jointly controlled entity		-	-	-	-
Share of result of:- Associate company		-	-	-	(87,461)
Profit before taxation		(248,745)	4,463,180	15,793,217	16,782,897
Taxation	B4	(2,075)	27,900	(143,383)	(68,512)
Net profit for the period/year		(250,820)	4,491,080	15,649,834	16,714,385
Attributable to:					
Equity holders of the parent		480,256	4,491,080	16,835,564	16,714,385
Minority interest		(731,076)	-	(1,185,730)	-
		(250,820)	4,491,080	15,649,834	16,714,385
Earnings per share attributable to equity holders of the parent					
- Basic (sen)	B12	<u>0.2</u>	<u>1.8</u>	<u>6.4</u>	<u>6.9</u>
- Diluted (sen)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2006 and the accompanying Notes to the Interim Financial Report on pages 5 to 16)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2007**

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 30 APRIL 2007 (UNAUDITED) RM	AT 30 APRIL 2006 (AUDITED) RM
Property, plant and equipment	5,084,888	3,701,098
Research and development expenditure	5,114,284	3,566,201
Intangible asset	1,169,013	-
Goodwill on consolidation	1,378,093	-
Fixed deposits with a licensed bank	280,000	280,000
Current assets		
Trade and other receivables	67,092,964	39,639,667
Tax recoverable	17,812	24,976
Cash and cash equivalents	14,338,090	12,682,901
	<u>81,448,866</u>	<u>52,347,544</u>
Current liabilities		
Trade and other payables	17,779,569	7,924,983
Finance payables	184,495	92,276
Term loans	125,479	103,728
Tax payables	-	36,249
	<u>18,089,543</u>	<u>8,157,236</u>
Net current assets	63,359,323	44,190,308
	<u>76,385,601</u>	<u>51,737,607</u>
Financed by:		
Capital and reserves		
Equity attributable to equity holders of the parent		
Share capital	26,820,000	25,200,000
Reserves	12,887,879	7,420,815
Retained profit	34,664,780	17,829,216
	<u>74,372,659</u>	<u>50,450,031</u>
Minority interest	415,339	-
Total equity	74,787,998	50,450,031
Finance payables	544,308	385,239
Term loans	1,053,295	902,337
	<u>76,385,601</u>	<u>51,737,607</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>27.73</u>	<u>20.02</u>

(The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 30 April 2006 and the accompanying Notes to the Interim Financial Report on pages 5 to 16)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2007**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	----- Attributable to Equity Holders of the Parent ----->						
	Non-Distributable			Distributable		Minority Interest RM	Total Equity RM
	Share Capital RM	Share Premium RM	Foreign exchange translation RM	Retained Profit RM	Total RM		
At 1 May 2006	25,200,000	7,417,674	3,141	17,829,216	50,450,031	-	50,450,031
Issue of shares	1,620,000	7,652,000	-	-	9,272,000	-	9,272,000
Placement expenses	-	(150,834)	-	-	(150,834)	-	(150,834)
Currency translation differences	-	-	(2,034,102)	-	(2,034,102)	-	(2,034,102)
Net income recognised directly in equity	26,820,000	14,918,840	(2,030,961)	17,829,216	57,537,095	-	57,537,095
Net profit for the year	-	-	-	16,835,564	16,835,564	(1,185,730)	15,649,834
Total recognised income and expense for the year	26,820,000	14,918,840	(2,030,961)	34,664,780	74,372,659	(1,185,730)	73,186,929
Acquisition of subsidiary	-	-	-	-	-	1,601,069	1,601,069
At 30 April 2007	<u>26,820,000</u>	<u>14,918,840</u>	<u>(2,030,961)</u>	<u>34,664,780</u>	<u>74,372,659</u>	<u>415,339</u>	<u>74,787,998</u>
At 1 May 2005	9,400,000	-	-	6,154,831	15,554,831	-	15,554,831
Issue of shares	3,200,000	21,760,000	-	-	24,960,000	-	24,960,000
Capitalisation as bonus shares	12,600,000	(12,600,000)	-	-	-	-	-
Listing expenses	-	(1,742,326)	-	-	(1,742,326)	-	(1,742,326)
Currency translation differences	-	-	3,141	-	3,141	-	3,141
Net income recognised directly in equity	25,200,000	7,417,674	3,141	6,154,831	38,775,646	-	38,775,646
Net profit for the year	-	-	-	16,714,385	16,714,385	-	16,714,385
Total recognised income and expense for the year	25,200,000	7,417,674	3,141	22,869,216	55,490,031	-	55,490,031
Dividend paid: - Interim	-	-	-	(5,040,000)	(5,040,000)	-	(5,040,000)
At 30 April 2006	<u>25,200,000</u>	<u>7,417,674</u>	<u>3,141</u>	<u>17,829,216</u>	<u>50,450,031</u>	<u>-</u>	<u>50,450,031</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 2006 and the accompanying Notes to the Interim Financial Report on pages 5 to 16)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2007**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR
	QUARTER ENDED	QUARTER ENDED
	30 APRIL 2007	30 APRIL 2006
	(UNAUDITED)	(AUDITED)
	RM	RM
Cash flows from operating activities		
Profit before taxation	15,793,217	16,782,897
Adjustments for non-cash flow:		
Non-cash items	1,691,497	1,270,494
Finance costs	167,590	48,973
Interest income	(267,540)	(178,657)
Operating profit before working capital changes	<u>17,384,764</u>	<u>17,923,707</u>
Changes in working capital:		
Net change in current assets	(29,201,873)	(22,156,563)
Net change in current liabilities	<u>6,172,401</u>	<u>187,017</u>
Cash used in operations	<u>(5,644,708)</u>	<u>(4,045,839)</u>
Finance costs	(167,590)	(48,973)
Interest income	267,540	178,657
Income tax paid	(172,468)	(171,038)
Dividend paid	-	(5,040,000)
Net cash used in operating activities	<u>(5,717,226)</u>	<u>(9,127,193)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,647,232)	(1,120,627)
Proceed from disposal of property, plant and equipment	126,172	88,449
Research and development expenditure paid	(2,807,798)	(2,632,440)
Net cash from acquisition of subsidiary company	2,237,243	-
Placement of fixed deposits	-	(100,000)
Net cash used in investing activities	<u>(2,091,615)</u>	<u>(3,764,618)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital	9,272,000	24,960,000
Placement expenses	(150,834)	-
Listing expenses	-	(1,742,326)
Drawdown of finance payables	370,386	-
Repayment of finance payables	(119,098)	(152,267)
Drawdown of term loans	1,200,000	-
Repayment of term loans	(1,027,291)	(125,544)
Net cash generated from financing activities	<u>9,545,163</u>	<u>22,939,863</u>
Net increase in cash and cash equivalents	1,736,322	10,048,052
Cash and cash equivalents at 1 May	12,682,901	2,635,229
Translation differences	<u>(81,133)</u>	<u>(380)</u>
Cash and cash equivalents at end of year	<u><u>14,338,090</u></u>	<u><u>12,682,901</u></u>

(The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2006 and the accompanying Notes to the Interim Financial Report on pages 5 to 16)

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2007

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 Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

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 2006.

The accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the year ended 30 April 2006 except for the adoption of the following new or revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Presentation of Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effect of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investment in Associates
FRS 132	Financial Instruments: Disclosures and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The following new or revised FRS has been adopted earlier in the audited financial statements for the year ended 30 April 2006:

FRS 131	Interests in Joint Ventures
---------	-----------------------------

The Group has not early adopted FRS 117: Leases and FRS 124: Related Party Disclosure, which are effective for financial periods beginning on or after 1 October 2006.

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2007

A1. Basis of preparation (Cont'd)

The adoption of FRS 2, 5, 102, 108, 110, 116, 127, 128, 132, 133 and 140 does not have significant impact on the Group. The principal effects of the changes in the accounting policies resulting from the adoption of the other new or revised FRSs are disclosed below:-

FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

The adoption of these new FRSs has resulted in a change in the accounting policy for goodwill. Goodwill is previously carried at cost and is now tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006.

Under FRS 3, any excess of the Group's interest in the net fair value of acquires' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately as income.

In addition, the useful life of other intangible assets is now assessed at the individual asset level as having either a finite or indefinite life.

Under the new FRS 138, some of the intangible assets are regarded to have an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Intangible assets with indefinite useful life are not amortised but instead, are tested for impairment annually.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2007

A1. Basis of preparation (Cont'd)

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of the minority interest. In the consolidated balance sheet, minority interest is now presented within total equity whereas in the consolidated income statement, minority interest is presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity.

FRS 101 also requires disclosure in the statement of changes in equity for total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. The current quarter's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current quarter's presentation.

FRS 121: The Effects of Changes in Foreign Exchange Rates

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

Under the revised FRS 121, exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are to be recognised in profit or loss in the consolidated financial statements. Previously, such exchange differences were taken to equity. This change in accounting policy has been accounted for retrospectively.

In addition, as of beginning of the financial year, 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 now treated as assets and liabilities of the foreign operation and translated at the closing rate. In accordance with the transitional provisions of FRS 121, this change is applied prospectively. Goodwill acquired in business combinations prior to 1 January 2006 and fair value adjustments arising on those acquisitions are deemed to be assets and liabilities of the parent company and were translated using the exchange rate at the dates of acquisitions.

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 2006.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2007****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 results.

A6. Debts and equity securities

There were no issuance, repurchase, cancellation, resale, and repayment of debt and equity securities for the current quarter under review.

A7. Dividend paid

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

A8. Segmental information

The segmental analysis of revenue and profit after taxation of the Group for the year ended 30 April 2007 are tabulated below:

Segment	Malaysia RM	Other Countries RM	Elimination RM	Total RM
Revenue	69,054,017	44,044,858	(12,804,300)	100,294,575
Profit before tax	23,505,857	(7,712,640)	-	15,793,217

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.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2007

A10. Material events subsequent to the end of the quarter

(a) Proposed private placement of up to ten percent (10%) of the existing and paid-up share capital of the Company

Public Merchant Bank Berhad (now known as Public Investment Bank Berhad) (“PIVB”), on behalf of Nextnation, announced on 14 March 2006 that Nextnation proposed to implement a private placement of up to 10% of the existing issued and paid-up share capital of the Company comprising 25,200,000 new ordinary shares of RM0.10 each (“Placement Shares”) (“Proposed Private Placement”), and the Proposed Private Placement has been approved by the Securities Commission (“SC”) via its letter dated 24 March 2006. On 21 September 2006, PIVB on behalf of the Board of Nextnation, announced that the SC had, vide its letter dated 20 September 2006, approved Nextnation's application for the extension of time of six (6) months from 24 September 2006 to 23 March 2007 for Nextnation to implement the Proposed Private Placement.

The first tranche of 10,000,000 and second tranche of 6,200,000 of the Placement Shares have been issued and listed on the MESDAQ Market of Bursa Malaysia Securities Berhad (“MESDAQ Market”) on 22 September 2006 and 10 October 2006 respectively.

On 3 April 2007, PIVB, on behalf of Board of Nextnation, announced that the SC had, vide its letter dated 2 April 2007, approved Nextnation's application for the further extension of time of three (3) months from 24 March 2007 to 23 June 2007 for Nextnation to complete the implementation of the Proposed Private Placement.

The final tranche of 9,000,000 of the Placement Shares have been issued and listed on the MESDAQ Market of Bursa Malaysia Securities Berhad (“MESDAQ Market”) on 18 May 2007.

(b) Proposed bonus issue of up to 138,600,000 new ordinary shares of RM0.10 each in Nextnation (“Bonus Shares”), to be credited as fully paid-up, on the basis of one (1) Bonus Share for every two (2) existing ordinary shares of RM0.10 each in Nextnation held on an entitlement date to be determined and announced later (“Proposed Bonus Issue”)

On 27 April 2006, PIVB, on behalf of the Board, announced that the Company proposed to implement the Proposed Bonus Issue. The Company intends to implement the Proposed Bonus Issue after the completion of the Proposed Private Placement, which has been completed on 18 May 2007.

Bursa Malaysia Securities Berhad had, vide its letter dated 15 November 2006, approved in-principal the listing of and quotation for up to 138,600,000 Bonus Shares arising from the Proposed Bonus Issue.

NEXTNATION COMMUNICATION BERHAD

**Company No. 66055-H
(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2007**

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

- (b) Proposed bonus issue of up to 138,600,000 new ordinary shares of RM0.10 each in Nextnation ("Bonus Shares"), to be credited as fully paid-up, on the basis of one (1) Bonus Share for every two (2) existing ordinary shares of RM0.10 each in Nextnation held on an entitlement date to be determined and announced later ("Proposed Bonus Issue") (Cont'd)**

On 25 May 2007, PIVB, on behalf of Board of Nextnation, announced that 138,600,000 Bonus Shares has been allotted and issued on 25 May 2007 as a result of Bonus Issue.

A11. Changes in composition of the Group

On 3 May 2007, the Company announce that Code Wireless Pte. Ltd., a subsidiary of the Company, had on 24 April 2007 incorporated a wholly-owned subsidiary in India, namely, Nextnation Mobitech India Private Limited ("NMIPL"). The intended business activities of NMIPL is provision of mobile messaging technologies, mobile application platform and mobile application software for wireless communication.

Other than the above, there were no other changes in the composition of the Group in the current quarter under review.

A12. Contingent assets or liabilities

There were no contingent assets or contingent liabilities for the current quarter under review.

A13. Capital commitments

Capital commitment for the current quarter under review contracted but not provided for in this interim financial report is for business expansion in the People's Republic of China with reference to item B7 (b) below.

NEXTNATION COMMUNICATION BERHADCompany No. 66055-H
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2007****ADDITIONAL INFORMATION REQUIRED BY THE LISTING
REQUIREMENTS OF BURSA SECURITIES FOR THE MESDAQ MARKET****B1. Review of performance****(a) Performance of the current quarter against the preceding quarter**

	3rd Quarter 1 November 2006 to 31 January 2007	4th Quarter 1 February 2007 to 30 April 2007	Variance	
	RM'000	RM'000	RM'000	%
Revenue	28,217	21,533	(6,684)	(23.7)
Profit/(Loss) before taxation	5,734	(249)	(5,983)	(104.3)
Net/(Loss) profit before minority interest	5,686	(251)	(5,937)	(104.4)

Revenue

The Group posted revenue of RM21.5 million in the current quarter as compared to revenue of RM28.2 million reported in the previous quarter. The decrease of 23.7% was mainly due to the slow down in the Group's overseas markets, as the Group had limited and delayed its business transactions and projects with partners for the reason of capacity upgrade, system and process redesign, in order to meet and support the continuous growth in demand in the mobile communication industry, also and to operate more efficiently. Further, the slow periods after the year end's holiday and festive season resulted in a slight decrease in demand.

Profit before taxation and net profit before minority interest

The Group recorded loss before tax and loss after tax before minority interest of RM0.2 million for the current quarter compared with profit before tax and profit after tax before minority interest of RM5.7 million in the previous quarter. The reduction of 104.3% and 104.4% was mainly due to slowdown in operation for upgrading and improvement, and the provision for doubtful debts made in the current quarter. The process of upgrading and redesigning had also caused an increase in technical related expenses. However, the impact was mitigated by the gain from its local operational efficiency and cost saving.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2007

B1. Review of performance (Cont'd)

(b) Performance of the current quarter against the preceding year corresponding quarter

The Group's revenue of RM21.5 million in the current quarter represents an increase of 20.8% over the RM17.8 million reported for the preceding year corresponding quarter. The increase was mainly contributed by the growth in overseas markets. The loss before tax and loss after tax before minority interest recorded for the current quarter was mainly due to increased operating expenses in overseas markets and the provision for doubtful debts.

B2. Current year's prospect

The Group will continue to focus on its technology, products and services enhancement, market expansion, developing and maintaining strategic partnerships with new and existing business partners. The Board also expects increasing revenue contributions from the Group's overseas markets to support the business expansion. Barring any unforeseen circumstances, the Board expects the Group to continue to achieve solid performance for the next financial year.

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 to-date.

B4. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	30.04.2007 RM	30.04.2006 RM	30.04.2007 RM	30.04.2006 RM
Current period's provision	2,075	(27,900)	143,383	68,512

Malaysian income tax is calculated at the Malaysian statutory tax rate of the estimated assessable profit for the period. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction.

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2007

B4. Taxation (Cont'd)

For the current quarter ended 30 April 2007, the foreign income tax provision is in respect of PT. Elastitas Multi Kreasi, a company incorporated in Indonesia. There is no provision for taxation for the Group's other overseas subsidiaries as they are in a net loss position.

The taxation provision is lower than the statutory tax rate for the Group's Malaysia's subsidiaries. The disproportionate tax rate was a result of pioneer status enjoyed by one of its subsidiaries, Nextnation Network Sdn. Bhd., thus resulting in its profit being exempted from tax.

B5. Profit/ (losses) on sales of unquoted investment and/or properties

There were no disposals of unquoted investments and/or properties by the Group for the current quarter under review and financial year to-date.

B6. Quoted securities

There was no purchase or disposal of quoted securities by the Group for the current quarter under review and financial year to-date.

B7. Status of corporate proposals and Utilisation of Proceeds

- (a) Save as disclosed below, there were no other corporate proposals announced but not completed in as at 28 June 2007, being the last practicable date for the issue of this report:-

Subscription of shares in Often Reach Investments Limited ("Often Reach") by Godynamic Investment Limited ("Godynamic"), a subsidiary of Nextnation

PIVB had, on behalf of Nextnation, announced on 22 March 2006, 13 April 2006, 23 May 2006 and 22 August 2006, amongst other, that Godynamic will subscribe for 700 new ordinary shares of USD1.00 each at par ("Subscription of Ordinary Shares") and 250,000,000 new irredeemable convertible preference shares of USD0.01 each at par ("Subscription of ICPS") in Often Reach for 50% control in Often Reach based on the voting rights in Often Reach for the Group's business expansion in the People's Republic of China. The Subscription of Ordinary Shares has been completed but the Subscription of ICPS is still pending.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2007****B7. Status of corporate proposals and Utilisation of Proceeds (Cont'd)****(b) Utilisation of proceeds from Initial Public Offering (“IPO”) and Proposed Private Placement**

As at 30 April 2007, the Company has fully utilised the proceeds raised from the IPO on 26 August 2005 in the following manner:

	Proposed Utilisation*	Utilised Amount	Utilised Amount	Unutilised Amount
	RM'000	RM'000	%	RM'000
Capital expenditures	1,000	1,000	100	-
Working Capital	5,118	5,118	100	-
Research and development expenditures	4,800	4,800	100	-
Advertising and promotions	7,500	7,500	100	-
Overseas expansion	4,800	4,800	100	-
Estimated listing expenses	1,742	1,742	100	-
Total	24,960	24,960	100	-

* Represent the revised utilisation of proceeds which was approved by the Securities Commission vide its letter dated 16 May 2006.

Apart from the IPO proceeds, the Company had on 22 September 2006, 10 October 2006 and 18 May 2007 completed the private placements of 10,000,000 and 6,200,000 new shares of RM0.10 each in Nextnation respectively (collectively, “Placement Shares”), and the Placement Shares have been listed on the MESDAQ Market on 22 September 2006 and 10 October 2006 respectively.

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2007**

B7. Status of corporate proposals and Utilisation of Proceeds (Cont'd)**(b) Utilisation of proceeds from Initial Public Offering ("IPO") and Proposed Private Placement (Cont'd)**

The details of the utilisation of the proceeds raised from the issuance of the Placement Shares up to 30 April 2007 are as follows:

	Proposed Utilisation	Utilised Amount	Utilised Amount	Unutilised Amount
	RM'000	RM'000	%	RM'000
Working capital	9,112	7,808	85.7	1,304
Private placement expenses	160	151	94.4	9
Total	9,272	7,959	85.8	1,313

B8. Borrowings and debt securities

Save as disclosed below, the Group does not have any loan capital outstanding or created, convertible debt securities, mortgages or charges outstanding as at 30 April 2007.

Type of interest bearing secured borrowings	Payable within 12 months	Payable after 12 months
	RM	RM
Hire purchase		
- Malaysia	98,346	437,071
- Indonesia	86,149	107,237
Term loans		
- Malaysia	125,479	1,053,295
Total	309,974	1,597,603

All the above borrowings are in Malaysian currency. 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.

B9. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2007****B10. Changes in material litigation**

The Group is not engaged in any material litigation, either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B11. Dividend

There is no dividend declared for the current quarter under review.

B12. Earnings per share

The basic earnings per share for the current quarter ended 30 April 2007 has been calculated based on the net profit for the period attributable to ordinary equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30.04.2007	Preceding year corresponding quarter 30.04.2006	Current year to-date 30.04.2007	Preceding year corresponding period 30.04.2006
Net profit for the period attributable to the ordinary equity holder of the parent (RM'000)	480	4,491	16,836	16,714
Weighted average number of ordinary shares in issue ('000)	261,704	252,000	261,704	242,619
Basic earnings per share attributable to equity holders of the parent (sen)	0.2	1.8	6.4	6.9