

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 APRIL 2010**

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2010**

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2010 RM	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2009 RM	CURRENT YEAR TO-DATE 30 APRIL 2010 RM	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2009 RM
Revenue		15,849,073	14,769,228	66,057,409	54,937,777
Operating expenses		(13,921,957)	(11,845,431)	(60,414,106)	(56,615,991)
Profit/ (loss) from operations		1,927,116	2,923,797	5,643,303	(1,678,214)
Depreciation and amortisation		(959,187)	(1,203,844)	(4,612,159)	(4,768,906)
Finance costs		(70,008)	(233,204)	(737,528)	(840,989)
Interest income		20,428	(81,539)	96,434	108,815
Gain on disposal of subsidiary companies		199,733	-	4,526,731	-
Profit/ (loss) before taxation		1,118,082	1,405,210	4,916,781	(7,179,294)
Taxation	B4	(19,832)	61,471	(26,046)	(18,529)
Profit/ (loss) for the period/year		1,098,250	1,466,681	4,890,735	(7,197,823)
Attributable to:					
Shareholders of the Company		716,880	1,834,765	4,491,467	(6,710,624)
Minority interest		381,370	(368,084)	399,268	(487,199)
Profit/ (loss) for the period/year		1,098,250	1,466,681	4,890,735	(7,197,823)
Earnings/ (loss) per share attributable to the equity holders of the Company					
- Basic (sen)	B12	0.17	0.44	1.08	(1.61)
- Diluted (sen)		-	-	-	-

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2009 and the accompanying Notes to the Interim Financial Report on pages 5 to 18)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2010**

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 30 APRIL 2010 (UNAUDITED) RM	AT 30 APRIL 2009 (AUDITED) RM
Property, plant and equipment	20,258,048	20,743,879
Research and development expenditure	13,679,608	10,410,470
Investment in associate companies	-	225,240
Intangible asset	1,382,326	2,292,325
Goodwill on consolidation	920,472	1,302,549
Fixed deposits with a licensed bank	550,120	538,503
Amount due from associate company	2,012,342	1,050,024
Current assets		
Trade and other receivables	51,913,337	36,758,652
Tax recoverable	635,398	1,091,195
Fixed deposits with a licensed bank	550,120	414,252
Cash and bank balances	3,930,623	13,549,552
	<u>57,029,478</u>	<u>51,813,651</u>
Current liabilities		
Trade and other payables	16,594,960	11,660,543
Amount due to associate company	-	240,760
Finance payables	358,421	523,649
Term loans	2,881,221	2,133,850
Tax payables	2,273	1,553
	<u>19,836,875</u>	<u>14,560,355</u>
Net current assets	37,192,603	37,253,296
	<u>75,995,519</u>	<u>73,816,286</u>
Financed by:		
Capital and reserves		
Equity attributable to equity holders of the Company		
Share capital	41,580,000	41,580,000
Reserves	1,234,157	1,065,574
Retained profit	23,850,047	19,358,580
	<u>66,664,204</u>	<u>62,004,154</u>
Minority interest	1,928,158	2,457,475
Total equity	68,592,362	64,461,629
Finance payables	1,135,644	820,433
Term loans	6,267,513	8,534,224
	<u>75,995,519</u>	<u>73,816,286</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	<u>16.03</u>	<u>14.91</u>

(The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 30 April 2009 and the accompanying Notes to the Interim Financial Report on pages 5 to 18)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2010**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	<-----Attributable to Equity Holders of the Company----->						
	Non-Distributable			Distributable			
	Share Capital RM	Share Premium RM	Foreign exchange translation RM	Retained Profit RM	Total RM	Minority Interest RM	Total Equity RM
At 1 May 2009	41,580,000	5,558,840	(4,493,266)	19,358,580	62,004,154	2,457,475	64,461,629
Currency translation differences	-	-	168,583	-	168,583	-	168,583
Net income recognised directly in equity	41,580,000	5,558,840	(4,324,683)	19,358,580	62,172,737	2,457,475	64,630,212
Net profit for the year	-	-	-	4,491,467	4,491,467	399,268	4,890,735
Decrease arising from change in composition of the Group	-	-	-	-	-	(928,585)	(928,585)
At 30 April 2010	<u>41,580,000</u>	<u>5,558,840</u>	<u>(4,324,683)</u>	<u>23,850,047</u>	<u>66,664,204</u>	<u>1,928,158</u>	<u>68,592,362</u>
At 1 May 2008	41,580,000	5,558,840	(4,863,464)	26,069,204	68,344,580	2,944,674	71,289,254
Currency translation differences	-	-	370,198	-	370,198	-	370,198
Net income recognised directly in equity	41,580,000	5,558,840	(4,493,266)	26,069,204	68,714,778	2,944,674	71,659,452
Net loss for the year	-	-	-	(6,710,624)	(6,710,624)	(487,199)	(7,197,823)
At 30 April 2009	<u>41,580,000</u>	<u>5,558,840</u>	<u>(4,493,266)</u>	<u>19,358,580</u>	<u>62,004,154</u>	<u>2,457,475</u>	<u>64,461,629</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 2009 and the accompanying Notes to the Interim Financial Report on pages 5 to 18)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 30 APRIL 2010**

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 30 APRIL 2010	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2009
	RM	RM
Cash flows from operating activities		
Profit/ (loss) before taxation	4,916,781	(7,179,294)
Adjustments for non-cash flow:		
Non-cash items	237,329	5,614,038
Finance costs	737,528	840,989
Interest income	(96,434)	(108,815)
Operating profit/ (loss) before working capital changes	<u>5,795,204</u>	<u>(833,082)</u>
Changes in working capital:		
Net change in current assets	(23,825,678)	7,221,420
Net change in current liabilities	14,485,994	5,614,321
Cash (used in)/ generated from operations	<u>(3,544,480)</u>	<u>12,002,659</u>
Finance costs	(737,528)	(840,989)
Interest income	96,434	108,815
Income tax refund/ (paid)	430,471	(621,952)
Net cash (used in)/ generated from operating activities	<u>(3,755,103)</u>	<u>10,648,533</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(801,444)	(8,327,467)
Research and development expenditure paid	(1,534,921)	(5,311,661)
Net cash flow from disposal of subsidiary companies	(328,959)	-
Proceeds from disposal of property, plant and equipment	379,501	-
Withdrawal of fixed deposits	-	80,000
Net cash used in investing activities	<u>(2,285,823)</u>	<u>(13,559,128)</u>
Cash flows from financing activities		
Drawdown of term loan	-	5,550,200
Repayment of finance payables	(978,550)	(519,844)
Repayment of term loans	(2,609,041)	(2,906,386)
Net cash (used in)/ generated from financing activities	<u>(3,587,591)</u>	<u>2,123,970</u>
Net decrease in cash and cash equivalents	(9,628,517)	(786,625)
Cash and cash equivalents at 1 May	13,963,804	14,595,294
Translation differences	145,456	155,135
Cash and cash equivalents at end of year	<u>4,480,743</u>	<u>13,963,804</u>
Cash and cash equivalents comprise of :-		
Cash and bank balances	3,930,623	13,549,552
Fixed deposit with a licensed bank	550,120	414,252
	<u>4,480,743</u>	<u>13,963,804</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 2009 and the accompanying Notes to the Interim Financial Report on pages 5 to 18)

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

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 2009.

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 2009 except the adoption of revised Financial Reporting Standards (“FRS”) as follows:-

Adoption of Revised Financial Reporting Standards (“FRS”)

The following are standards and IC Interpretations which are not yet effective and have not been early adopted by the Group:-

- | | | |
|-----|-------------------------|---|
| 1) | Amendments to FRS 1 | - First-time Adoption of Financial Reporting Standards |
| 2) | FRS 1 (#) | - First-time Adoption of Financial Reporting Standards |
| 3) | Amendments to FRS 1 (@) | - Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters |
| 4) | Amendments to FRS 2 | - Share-based Payment-Vesting conditions and Cancellations |
| 5) | Amendments to FRS 2 (#) | - Share-based Payment |
| 6) | FRS 3 (#) | - Business Combinations |
| 7) | FRS 4 | - Insurance Contracts |
| 8) | Amendment to FRS 5 | - Non-current Assets Held for Sale and Discontinued Operations |
| 9) | Amendments to FRS 5 (#) | - Non-current Assets Held for Sale and Discontinued Operations |
| 10) | FRS 7 | - Financial Instruments: Disclosures |
| 11) | Amendment to FRS 7 | - Financial Instruments: Disclosures |
| 12) | Amendment to FRS 7 (@) | - Improving Disclosures about Financial Instruments |
| 13) | FRS 8 | - Operating Segments |
| 14) | Amendment to FRS 8 | - Operating Segments |
| 15) | FRS 101 | - Presentation of Financial Statements (Revised) |

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

- | | | |
|-----|---------------------------------------|--|
| 16) | Amendment to FRS 107 | - Statement of Cash Flows (formerly known as Cash Flow Statements) |
| 17) | Amendment to FRS 108 | - Accounting Policies, Changes in Accounting Estimates and Errors |
| 18) | Amendment to FRS 110 | - Events after the Reporting Period (formerly known as Events after the Balance Sheet Date) |
| 19) | Amendment to FRS 116 | - Property, Plant and Equipment |
| 20) | Amendment to FRS 117 | - Leases |
| 21) | Amendment to FRS 118 | - Revenue |
| 22) | Amendment to FRS 119 | - Employee Benefits |
| 23) | Amendment to FRS 120 | - Accounting for Government Grants and Disclosure of Government Assistance |
| 24) | FRS 123 | - Borrowing Costs |
| 25) | Amendment to FRS 123 | - Borrowing Costs |
| 26) | Amendments to FRS 127 | - Consolidated and Separate Financial Statements |
| 27) | FRS 127 (#) | - Consolidated and Separate Financial Statements |
| 28) | Amendment to FRS 128 | - Investments in Associates |
| 29) | Amendment to FRS 129 | - Financial Reporting in Hyperinflationary Economies |
| 30) | Amendment to FRS 131 | - Interests in Joint Ventures |
| 31) | Amendment to FRS 132 | - Financial Instruments: Presentation |
| 32) | Amendment to FRS 132 (^) | - Financial Instruments: Presentation |
| 33) | Amendment to FRS 132 (@) | - Financial Instruments: Presentation |
| 34) | Amendment to FRS 134 | - Interim Financial Reporting |
| 35) | Amendment to FRS 136 | - Impairment of Assets |
| 36) | Amendments to FRS 138 | - Intangible Assets |
| 37) | Amendments to FRS 138 (#) | - Intangible Assets |
| 38) | FRS 139 | - Financial Instruments: Recognition and Measurement |
| 39) | Amendment to FRS 139 | - Financial Instruments: Recognition and Measurement |
| 40) | Amendment to FRS 140 | - Investment Property |
| 41) | IC Interpretation 9 | - Reassessment of Embedded Derivatives |
| 42) | Amendments to IC Interpretation 9 (#) | - Reassessment of Embedded Derivatives |
| 43) | IC Interpretation 10 | - Interim Financial Reporting and Impairment |
| 44) | IC Interpretation 11 | - FRS 2 - Group and Treasury Share Transactions |
| 45) | IC Interpretation 12 (#) | - Service Concession Arrangements |
| 46) | IC Interpretation 13 | - Customer Loyalty Programmes |
| 47) | IC Interpretation 14 | - FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| 48) | IC Interpretation 15 (#) | - Agreements for the Construction of Real Estate |
| 49) | IC Interpretation 16 (#) | - Hedges of a Net Investment in a Foreign Operation |
| 50) | IC Interpretation 17 (#) | - Distributions of Non-cash Assets to Owners |

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

All the above Amendments, IC Interpretations and FRSs will be effective for accounting period beginning on or after 1 January 2010, other than FRS 8, those marked with (^), (#) and (@) which will be applicable to accounting period beginning on or after 1 July 2009, 1 March 2010, 1 July 2010 and 1 January 2011 respectively. Existing FRS1, FRS3, FRS127 as well as FRS201₂₀₀₄ will be withdrawn upon adoption of new requirements effective from 1 July 2010.

FRS 4, Amendment to FRS 120, Amendment to FRS 128, Amendment to FRS 129, Amendments to FRS 138, Amendments to FRS 138 (#), Amendments to FRS 140, IC Interpretation 11, 12 (#), 13, 14,15, 16(#) and 17(#) are not expected to be relevant to the operations of the Group. The directors anticipate that the other FRS, amendments to FRS and IC Interpretations will be adopted in the annual financial statements of the Group for the financial year commencing 1 January 2010 and that the adoption of these new/revised FRS, amendments to FRS and IC Interpretations will have no material impact on the financial statements of the Group in the period for initial application except for the following:

FRS 3 Business Combination

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

FRS 7 Financial Instruments: Disclosures

FRS 7 and the consequential Amendment to FRS 101 - Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's financial position and performance, nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114₂₀₀₄ - Segment Reporting, requires the identification of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess their performance. Currently, the Group identifies geographical segment using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segment. As a result, following the adoption of FRS 8, the identification of the Group's reportable segments may change.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

FRS 123 Borrowing Costs

FRS 123 eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. The Group shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 127 Consolidated and Separate Financial Statements

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. Losses are required to allocate to non-controlling interests, even if it results in the non-controlling interest to be in a deficit position.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon first adoption of this standard as require by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed, if any.

IC Interpretation 17 Distributions of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The Company should measure the dividend payable at the fair value of the assets to be distributed when the dividend is appropriately authorised and is no longer at the discretion of the Company. On settlement of the dividend, the difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss. If the dividend remains unpaid at the end of the financial year end, the dividend payable carrying amount is reviewed with any changes recognised in equity.

NEXTNATION COMMUNICATION BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

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 2009.

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.

A6. Debts and equity securities

There were no issuance, repurchase, cancellation, resale, and repayment of debt and equity securities of the Company 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 before taxation of the Group for the financial year ended 30 April 2010 is tabulated below:

Segment	Malaysia RM	Other Countries RM	Elimination RM	Total RM
Revenue	32,463,328	36,525,764	(2,931,683)	66,057,409
Profit before taxation	3,780,577	1,136,204	-	4,916,781

NEXTNATION COMMUNICATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2010**

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

There are no material events subsequent to the quarter ended 30 April 2010.

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-to-date.

a) Acquisition of additional shareholding in PT Elasitas Multi Kreasi

On 21 January 2010, Elasitas Technologies Limited (“ETL”), a 62.11% owned subsidiary of Godynamic Investments Limited (“GIL”) has entered into a Share Purchase Agreement with minority shareholders of PT Elasitas Multi Kreasi (“EMK”) to further acquire 100 ordinary shares in EMK.

The acquisition, resulted ETL’s shareholding in EMK be increased to 99% from 97% previously.

b) Acquisition of additional shareholding in Elasitas Technologies Limited

On 22 January 2010, GIL, a 51%-owned subsidiary of Nextnation Network Sdn Bhd (“NNSB”), which in turn is a wholly owned subsidiary of the Company has entered into a Share Sale Agreement with High Speed Group Limited for the further acquisition of 24 ordinary shares of USD1.00 each, representing 25.26% of the issued and paid-up share capital of ETL at a total consideration of Indonesian Rupiah One Billion Six Hundred Million (IDR 1,600,000,000).

Effectively, as at the date of this report, GIL has increased its total shareholdings in ETL to 83 ordinary shares comprising 87.37% of the equity interest in ETL.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

c) Acquisition of shares in Gates Mobility Sdn. Bhd. by Gates Mobility Holdings Sdn. Bhd. (formerly known as Nextnation Techcity Sdn. Bhd.) (“GMHSB”)

On 1 April 2010, Gates Mobility Holdings Sdn. Bhd. (formerly known as Nextnation Techcity Sdn. Bhd.), a wholly owned subsidiary of Nextnation had acquired two (2) ordinary shares of RM1.00 each in Gates Mobility Sdn. Bhd. (“GMSB”), representing the entire issued and paid-up capital of GMSB at a total consideration of RM2.00.

GMSB has a wholly owned subsidiary, namely Gates Connectivity Sdn. Bhd. (“GCSB”), a company incorporated in Malaysia with an issued and paid-up capital of RM2.00. Tech Bonanza Sdn. Bhd. (“TBSB”) is the wholly owned subsidiary of GCSB which was incorporated in Malaysia with an issued and paid-up capital of RM200,000.00 and is principally involved in providing multiple gateway for technology enabling and content provisioning services. TBSB had obtained its Multimedia Super Corridor (“MSC”) status on 7 February 2006.

Upon completion of the acquisition, GMSB became a wholly owned subsidiary of GMHSB and accordingly, GCSB and TBSB became the sub-subsidiaries of Nextnation.

d) Strike-off of Qahaar Telecoms Sdn. Bhd.

On 24 November 2009, Qahaar Telecoms Sdn. Bhd. (“QTSB”), an associated company of Nextnation had submitted an application to the Companies Commission Of Malaysia (“CCM”) to strike-off the name of QTSB from the register of CCM.

At the approval of the said striking off by CCM, QTSB shall cease to be an associate company of the Company.

As at the date of this report, QTSB has yet to receive the final notice from CCM in respect of their approval on the striking off of QTSB.

e) Disposal of Code Wireless Pte Ltd

On 12 October 2009, GIL, a 51% -owned subsidiary of NNSB, which in turn is a wholly owned subsidiary of the Company had entered into a share sale agreement with Fast Wind Investments Limited in relation to the disposal of the entire equity investment in its wholly-owned subsidiary company, namely Code Wireless Pte Ltd, of 1,000 ordinary shares of Singapore Dollar 1 each for a purchase consideration of USD 10,000. On 2 November 2009, Code Wireless Pte Ltd ceased to be a subsidiary of GIL upon conclusion of the terms and conditions of the aforesaid share sale agreement.

NEXTNATION COMMUNICATION BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2010**

f) Disposal of Ozura Sdn. Bhd

On 20 October 2009, Nextnation had entered into a share sale agreement with Right Grant Limited in relation to the disposal of the entire equity investment in its wholly-owned subsidiary company, namely Ozura Sdn Bhd (“OSB”), of 100,000 ordinary shares of RM1 each for a purchase consideration of RM 3,830,000.

g) Disposal of Nextnation Qahaar Venture Pte Ltd

On 2 December 2009, the Company had announced that Nextnation Collection Sdn. Bhd., (“NCSB”) a wholly-owned subsidiary of the Company will be disposing its entire equity interest in Nextnation Qahaar Venture Pte. Ltd., (“NQVPL”) of 1,000,000 ordinary shares of Singapore Dollar 1 each to Mr. Chew Chwang Hai and Ms. Lim May Ching for a total cash consideration of Singapore Dollar 2 on a willing-buyer-willing-seller basis.

The disposal has been completed during the quarter ended 31 January 2010. As such, NQVPL had ceased to be a subsidiary of NCSB and accordingly, Qahaar Infracom Pte. Ltd. (“QIPL”), a wholly-owned subsidiary of NQVPL and Qahaar Telecoms Pte. Ltd., a 20% equity interest entity held by QIPL, had also ceased to be related to the Company.

A12. Contingent assets or liabilities

Save as disclosed below, the Company does not have any contingent assets or liabilities as at the date of this report.

RM

Contingent liability :

Corporate guarantee granted to a subsidiary company	<u>19,079,989</u>
---	-------------------

A13. Capital commitments

There were no capital commitments as at the date of this report.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

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 2010, the Group recorded revenue of RM15.8 million as compared to RM16.2 million recorded in the previous quarter ended 31 January 2010. The Group's revenue declined by 2.43% as a result of the lower demand for the Company's products and services. The reduced spending by both the consumer market and also the telecommunication companies in the form of marketing has slightly reduce the Group's revenue for the current quarter under review.

The Group recorded a profit before taxation of RM1.1 million for the current quarter ended 30 April 2010 as compared to profit before taxation RM3.2 million recorded in the previous quarter ended 31 January 2010. In the preceding quarter, the Group recorded higher profits derived from the disposal of subsidiary companies.

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

The Group's revenue of RM15.8 million in the current quarter ended 30 April 2010 represents an increase in revenue of RM1.1 million as compared to RM14.7 million reported in the preceding year's corresponding quarter. The increase of 7.31% in revenue was mainly attributed by the improvement of sales for the Group's products and services in the financial year ended 30 April 2010.

The Group recorded a profit before taxation of RM1.1 million in the current quarter ended 30 April 2010 as compared to RM1.4 million recorded for the preceding year corresponding quarter ended 30 April 2009. The slight decreased in financial performance was mainly attributable to the higher operational cost for existing products and services in the financial year ended 30 April 2010.

The Group recorded a revenue and profit before taxation of RM66.1 million and RM4.9 million respectively for the twelve months period ended 30 April 2010 as compared to revenue and loss before taxation of RM54.9 million and RM7.2 million respectively in the preceding year. The favourable results was mainly attributable to higher revenue generated for the Company's products and services and gain from the disposal of its subsidiary companies during the year.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2010****B2. Next year's prospect**

The Group had made a turnaround from a difficult business environment in the previous financial year, and will strive to step up its effort to penetrate into the existing market and explore new opportunities leveraging on its expertise and business network. In view of the improved economic climate, the Group is cautiously optimistic that the Group's performance will improve 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
	30.04.2010 RM	30.04.2009 RM	30.04.2010 RM	30.04.2009 RM
Current period's provision	(19,832)	61,361	(25,729)	(18,639)
Overprovision/ (underprovision)		110	(317)	110
Total	(19,832)	61,471	(26,046)	(18,529)

Taxation is calculated at the rate prevailing in the respective jurisdictions.

The Group's provision for taxation for the financial period/year under review reflected a lower effective tax rate compared to the statutory tax rate. This was mainly due to the availability of tax losses.

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

Profit on disposal of unquoted investments in the Group of RM0.2 million and RM4.5 million which reflected in the current quarter under review and current financial year to-date's financial statements respectively was related to disposed of unquoted investments as detailed in Note A11 (e) to (g).

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2010****B6. Purchase and disposal of 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

There were no corporate proposals announced but not completed as at 25 June 2010, being the latest practicable date for the issue of this report.

B8. Borrowings and debt securities

Save as disclosed below, the Group does not have any loan outstanding or created, convertible debt securities, mortgages or charges outstanding as at 30 April 2010.

Secured borrowings	Payable within 12 months	Payable after 12 months
Denominated in		
Malaysian Ringgit	3,148,131	7,252,080
Indonesia Rupiah	258,505,333 <i>(equivalent to RM91,511)</i>	426,772,000 <i>(equivalent to RM151,077)</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.

B9. Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this report.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 APRIL 2010

B10. Material litigation

On 22 January 2009, a wholly-owned subsidiary of the Company, Usape Nelson Wireless Sdn Bhd (“Usape” or “Plaintiff”) had serve a writ of summons and statement of claim amounting to RM19,916,823 to Macro Kiosk Berhad (“MKB” or “Defendant”) for breach of partnership agreement entered into between Usape and MKB dated 2 July 2004. On 10 March 2009, the Defendant has entered their statement of defence. The Plaintiff later filed an application for interim payment on 21 July 2009 to seek for court’s order that the Defendant to pay RM RM1,028,017.07 prior to the full disposal of the trial. The Plaintiff’s application was allowed by court on 13 January 2010 and the interim payment of RM1,028,017.07 has been made by the Defendant accordingly.

The suit is currently in the stage of case management meeting. The Defendant has recently amended its Statement of Defence wherein the Plaintiff is required to file amended Reply to Defence accordingly. The Directors of Nextnation are of the opinion that the writ of summons and statement of claims is not expected to have any material adverse impact on the Group’s financial and operational status as at the date of this report.

Save for the above, the Group is not engaged in any other material litigation, either as plaintiff or defendant, and the Directors of Nextnation do not have any knowledge of any other 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.

NEXTNATION COMMUNICATION BERHAD

Company No. 66055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH
QUARTER ENDED 30 APRIL 2010****B12. Profit/ (loss) per share**

The basic profit/ (loss) per share for the current quarter ended 30 April 2010 has been calculated based on the net profit/ (loss) for the period attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30.04.2010	Preceding year corresponding quarter 30.04.2009	Current year to-date 30.04.2010	Preceding year corresponding period 30.04.2009
Net profit/ (loss) for the period/ year attributable to the ordinary equity holder of the Company (RM'000)	717	1,835	4,491	(6,711)
Weighted average number of ordinary shares in issue ('000)	415,800	415,800	415,800	415,800
Basic profit/ (loss) earnings per share attributable to equity holders of the Company (sen)	0.17	0.44	1.08	(1.61)