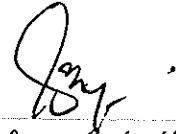


Approved for announcement by:



Name: See Poh Yee

Date: 29/6/2011

**NEXTNATION COMMUNICATION BERHAD**

(Company No. 660055-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 30 APRIL 2011**

**NEXTNATION COMMUNICATION BERHAD**

Company No. 660055-II  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 30 APRIL 2011**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2011 RM	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2010 RM	CURRENT YEAR TO-DATE 30 APRIL 2011 RM	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2010 RM
Revenue		16,504,991	15,878,042	71,748,139	66,086,378
Operating expenses		(14,987,658)	(13,886,032)	(66,130,775)	(60,378,181)
<b>Profit from operations</b>		<b>1,517,333</b>	<b>1,992,010</b>	<b>5,617,364</b>	<b>5,708,197</b>
Depreciation and amortisation		(872,215)	(1,073,457)	(3,793,823)	(4,726,429)
Finance costs		(139,344)	(72,736)	(616,894)	(740,256)
Interest income		2,422	(4,078)	76,892	71,928
Gain on disposal of subsidiary companies		-	199,811	-	4,526,809
<b>Profit before taxation</b>		<b>508,196</b>	<b>1,041,550</b>	<b>1,283,539</b>	<b>4,840,249</b>
Taxation	B4	(36,006)	5,897	(55,200)	(317)
<b>Profit for the period</b>		<b>472,190</b>	<b>1,047,447</b>	<b>1,228,339</b>	<b>4,839,932</b>
<b>Other comprehensive gain/ (loss)</b>					
Foreign currency translation		110,379	(699,363)	(1,849,210)	(1,020,102)
		110,379	(699,363)	(1,849,210)	(1,020,102)
<b>Total comprehensive income/ (loss) for the period</b>		<b>582,569</b>	<b>348,084</b>	<b>(620,871)</b>	<b>3,819,830</b>
<b>Profit for the period attributable to:</b>					
Shareholders of the Company		427,995	712,583	999,844	4,487,170
Minority interest		44,195	334,864	228,495	352,762
<b>Profit for the period</b>		<b>472,190</b>	<b>1,047,447</b>	<b>1,228,339</b>	<b>4,839,932</b>
<b>Total comprehensive income/ (loss) attributable to:</b>					
Shareholders of the Company		538,374	13,220	(849,366)	4,395,653
Minority interest		44,195	334,864	228,495	(575,823)
<b>Total comprehensive income/ (loss) for the period</b>		<b>582,569</b>	<b>348,084</b>	<b>(620,871)</b>	<b>3,819,830</b>
Earnings per share attributable to the equity holders of the Company					
- Basic (sen)	B13	0.10	0.17	0.24	1.08
- 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 2010 and the accompanying Notes to the Interim Financial Report on pages 5 to 12)

**NEXTNATION COMMUNICATION BERHAD**

Company No. 660055-11  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 30 APRIL 2011**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AT 30 APRIL 2011 (UNAUDITED) RM	AT 30 APRIL 2010 (AUDITED) RM
Property, plant and equipment	22,693,783	20,221,349
Research and development expenditure	17,408,893	13,566,105
Intangible asset	1,169,013	1,382,326
Goodwill on consolidation	920,473	920,473
Fixed deposits with a licensed bank	562,223	552,137
<b>Current assets</b>		
Trade and other receivables	48,687,333	52,883,813
Amount due from associate company	1,820,063	1,338,111
Tax recoverable	636,960	665,634
Fixed deposits with a licensed bank	510,000	885,000
Cash and bank balances	1,932,319	4,423,066
	<u>53,586,675</u>	<u>60,195,624</u>
<b>Current liabilities</b>		
Trade and other payables	16,414,255	17,270,891
Finance payables	371,712	359,073
Term loans	1,637,652	2,643,962
Tax payables	625	625
Bank overdraft	853,818	832,142
	<u>19,278,062</u>	<u>21,106,693</u>
<b>Net current assets</b>	34,308,613	39,088,931
	<u>77,062,998</u>	<u>75,731,321</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
Equity attributable to equity holders of the Company		
Share capital	41,580,000	41,580,000
Reserves	(875,153)	974,057
Retained profit	24,845,594	23,845,750
	<u>65,550,441</u>	<u>66,399,807</u>
Minority interest	2,110,147	1,881,652
Total equity	67,660,588	68,281,459
Finance payables	923,172	1,175,245
Term loans	8,479,238	6,274,617
	<u>77,062,998</u>	<u>75,731,321</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	<u>15.76</u>	<u>15.97</u>

(The Unaudited Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the financial year ended 30 April 2010 and the accompanying Notes to the Interim Financial Report on pages 5 to 12)

**NEXNATION COMMUNICATION BERHAD**

Company No. 660055-H

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 30 APRIL 2011**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)**

	Attributable to Equity Holders of the Company				Minority Interest RM	Total Equity RM
	Non-Distributable		Distributable			
	Share Capital RM	Share Premium RM	Foreign exchange translation RM	Retained Profit RM	Total RM	
At 1 May 2010	41,580,000	5,558,840	(4,584,783)	23,845,750	66,399,807	68,281,459
Currency translation differences	-	-	(1,849,210)	-	(1,849,210)	(1,849,210)
Net income recognised directly in equity	41,580,000	5,558,840	(6,433,993)	23,845,750	64,550,597	66,432,249
Net profit for the year	-	-	-	999,844	999,844	1,228,339
At 30 April 2011	41,580,000	5,558,840	(6,433,993)	24,845,594	65,550,441	67,660,588
At 1 May 2009	41,580,000	5,558,840	(4,493,266)	19,358,580	62,004,154	64,461,629
Currency translation differences	-	-	(91,517)	-	(91,517)	(91,517)
Net income recognised directly in equity	41,580,000	5,558,840	(4,584,783)	19,358,580	61,912,637	64,370,112
Net profit for the year	-	-	-	4,487,170	4,487,170	4,839,932
Decrease arising from change in composition of the Group	-	-	-	-	-	(928,585)
At 30 April 2010	41,580,000	5,558,840	(4,584,783)	23,845,750	66,399,807	68,281,459

(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 2010 and the accompanying Notes to the Interim Financial Report on pages 5 to 12)

**NEXTNATION COMMUNICATION BERHAD**

Company No. 660055-II  
(Incorporated In Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 30 APRIL 2011**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 30 APRIL 2011	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2010
	RM	RM
<b>Cash flows from operating activities</b>		
Profit before taxation	1,283,539	4,840,249
Adjustments for non-cash flow:		
Non-cash items	3,751,614	322,871
Finance costs	616,894	740,256
Interest income	(76,892)	(71,928)
Operating profit before working capital changes	5,575,155	5,831,448
Changes in working capital:		
Net change in current assets	4,374,456	(24,448,564)
Net change in current liabilities	(856,636)	16,445,074
Cash generated from/ (used in) operations	9,092,975	(2,172,042)
Finance costs	(616,894)	(740,256)
Interest income	76,892	71,928
Income tax refund	(26,526)	424,316
<b>Net cash from/(used in) operating activities</b>	<b>8,526,447</b>	<b>(2,416,054)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,301,995)	(1,058,718)
Research and development expenditure paid	(4,691,727)	(6,338,878)
Acquisition of minority interests	-	(586,550)
Net cash flow from disposal of subsidiary companies	-	3,728,585
Placement of fixed deposits	-	(13,634)
Proceeds from disposal of property, plant and equipment	52,000	778,258
<b>Net cash used in investing activities</b>	<b>(9,941,722)</b>	<b>(3,490,937)</b>
<b>Cash flows from financing activities</b>		
Drawdown of term loan	4,080,264	1,089,701
Drawdown of finance payables	198,412	-
Repayment of finance payables	(447,440)	(681,736)
Repayment of term loans	(3,551,967)	(3,928,897)
<b>Net cash from/(used in) financing activities</b>	<b>279,269</b>	<b>(3,520,932)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,136,006)</b>	<b>(9,427,923)</b>
<b>Cash and cash equivalents at 1 May</b>	<b>4,475,924</b>	<b>13,963,804</b>
Translation differences	(1,751,417)	(59,957)
<b>Cash and cash equivalents at end of year</b>	<b>1,588,501</b>	<b>4,475,924</b>
<b>Cash and cash equivalents comprise of :-</b>		
Cash and bank balances	1,932,319	4,423,066
Fixed deposit with a licensed bank	510,000	885,000
Bank overdraft	(853,818)	(832,142)
	<b>1,588,501</b>	<b>4,475,924</b>

(The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the audited financial statements for the financial year ended 30 April 2010 and the accompanying Notes to the Interim Financial Report on pages 5 to 12)

**NEXTNATION COMMUNICATION BERHAD**

Company No. 660055-II  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011**

**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 2010.

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 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 2010.

**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.

**NEXTNATION COMMUNICATION BERHAD**Company No. 660055-II  
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011****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 period ended 30 April 2011 is tabulated below:

Segment	Malaysia RM	Other Countries RM	Elimination RM	Total RM
Revenue	30,492,106	45,108,166	(3,852,133)	71,748,139
Profit/(Loss) before taxation	2,563,857	(1,280,318)	-	1,283,539

**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**

Other than as disclosed below, there are no material events subsequent to the quarter ended 30 April 2011.

**a) Disposal of 40% equity interest in PT Nextnation Prisma ("PTNP")**

On 27 May 2011, Nextnation Interactive Sdn. Bhd. ("NI"), a wholly-owned subsidiary of Nextnation entered into a Management Buyout ("MBO") Agreement to dispose its 40% equity interest, representing 40,000 ordinary shares of PTNP to Hendra Widjaja and Rafli bin Ridwan for a total consideration of RM3,553,700.00. Upon completion of the disposal, PTNP shall become an associate company of NI.

**NEXTNATION COMMUNICATION BERHAD**

Company No. 660055-II  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011**

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

**b) Disposal of two (2) units of retail lots and four (4) units of office lots**

On 30 May 2011, the Company through a wholly-owned subsidiary, Nextnation Network Sdn. Bhd. ("NN") entered into six (6) sets of Sale and Purchase Agreements ("SPAs") with the following Purchasers to dispose of two (2) units of retail lots and four (4) units of office lots of Block B, Setia Walk together with Accessory Parcel erected in the Master Land held under IHS(D) 252736 PT 5978 (formerly known as Geran 53924 Lot 53578), Pekan Kinrara, District of Petaling, State of Selangor for a total cash consideration of RM4,500,000:

- i) Stickerportal Sdn. Bhd.;
- ii) Avidco Asia Pacific Sdn. Bhd.;
- iii) Neo Khooon Chuan;
- iv) Leong Wai Kuan; and
- v) Sim Kian Boon and Tan Suet Leng.

**A11. Changes in composition of the Group**

There were no changes in the composition of the Group during the financial period under review.

**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
<u>Contingent liability:</u>	
Corporate guarantee granted to a subsidiary company	<u>7,486,133</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 2011**

**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 2011, the Group recorded revenue of RM16.5 million as compared to RM19.7 million which recorded in the previous quarter ended 31 January 2011. The Group's revenue decreased by 16.24% as a result of the lower demand for the Group's products and services.

The Group recorded a profit before taxation of RM0.5 million for the current quarter ended 30 April 2011 as compared to profit before taxation of RM0.1 million recorded in the previous quarter ended 31 January 2011. The increase in profit before taxation was mainly contributed by the decrease in cost of the Group's products.

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

The Group's revenue of RM16.5 million in the current quarter ended 30 April 2011 represents an increase in revenue of RM0.6 million as compared to RM15.9 million reported in the preceding year's corresponding quarter. The increase of 3.77% in revenue was mainly attributed by the slight improvement of sales for the Group's products and services.

The Group recorded a profit before taxation of RM0.5 million in the current quarter ended 30 April 2011 as compared to profit before taxation of RM1.0 million recorded for the preceding year corresponding quarter ended 30 April 2010 mainly due to the gain on disposal of subsidiary companies that was recorded in the preceding year's corresponding quarter and relatively lower amortisation costs.

**B2. Next year's prospect**

Looking into the future, the Management foresees a rapid growth in the wireless application and mobile solutions industry. As such, the Group will continue to penetrate into the existing markets, and also explore more opportunities by using its expertise and business network to expand into new markets. The Group will continue to emphasize on investment in the area of research and development of new technologies in the platform and mobile content business in order to support the latest mobile devices and technology, and roll-out new and innovative products and services.

**NEXTNATION COMMUNICATION BERHAD**

Company No. 660055-II  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011****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
	30.04.2011 RM	30.04.2010 RM	30.04.2011 RM	30.04.2010 RM
Current period's provision	(36,006)	6,214	(55,200)	-
Underprovision	-	(317)	-	(317)
<b>Total</b>	<b>(36,006)</b>	<b>5,897</b>	<b>(55,200)</b>	<b>(317)</b>

**B5. Profit/ (loss) 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. 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.

**NEXTNATION COMMUNICATION BERHAD**Company No. 660055-II  
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011****B7. Status of corporate proposals and utilisation of proceeds**

Save as disclosed below, there were no corporate proposals announced but no completed as at 29 June 2011, being the latest practicable date for the issue of this report.

**a) Disposal of 40% equity interest in PTNP**

The disposal is expected to be completed within five (5) years from the date of MBO Agreement which is dated 4 May 2011. The sale proceed is expected to be fully utilised by August 2016, i.e. within three (3) months after completion of the disposal. The sale proceed from the disposal shall be utilised to form part of the Group's working capital, including but not limited to finance the Group's day-to-day operation and also to serve the loan interest.

Further details of the said disposal is disclosed in Section A10.

**b) Disposal of two (2) units of retail lots and four (4) units of office lots**

The disposal is expected to be completed within three (3) months from the date of SPAs which is dated 25 May 2011. The sale proceeds is utilised for working capital in the next twelve (12) months.

Further details of the said disposal is disclosed in Section A10.

**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 2011.

Secured borrowings	Payable within 12 months	Payable after 12 months
Denominated in		
Malaysian Ringgit	2,552,205	6,895,819
Indonesia Rupiah	914,635,538 <i>(equivalent to RM310,977)</i>	7,372,328,462 <i>(equivalent to RM2,506,591)</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.

**NEXTNATION COMMUNICATION BERHAD**Company No. 660055-II  
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011****B9. Off balance sheet financial instruments**

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

**B10. Realised and unrealised profits**

	As at 30.04.2011 RM	As at 31.01.2011 RM
Total retained profits of the Company and its subsidiaries:		
- Realised profit	24,918,303	24,490,308
- Unrealised profit	-	-
	24,918,303	24,490,308
Less: Consolidation adjustments	(72,709)	(72,709)
Total retained profits as per Statement of Financial Position	24,845,594	24,417,599

**B11. Material litigation**

On 22 January 2009, a wholly-owned subsidiary of the Company, Usape Nelson Wireless Sdn Bhd ("Usape" or "Plaintiff") served a Writ of Summons and Statement of Claim amounting to RM19,916,823 to Macro Kiosk Berhad ("MKB" or "Defendant") for breach of a Partnership Agreement entered into between Usape and MKB, dated 2 July 2004. On 10 March 2009, the Defendant entered their Statement of Defence. The Plaintiff later filed an application for interim payment on 21 July 2009 to seek the Court's order for the Defendant to pay RM1,028,017.07 prior to the full disposal of the trial. The Plaintiff's application was allowed by the Court on 13 January 2010 and the interim payment of RM1,028,017.07 has been made by the Defendant accordingly.

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

On 14 April 2011, the Court dismissed the Plaintiff's claims for loss of profit and exemplary damages on the grounds that there were no sufficient evidence provided by witness and documents on the said claims.

**B12. Dividend**

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

**NEXTNATION COMMUNICATION BERHAD**Company No. 660055-II  
(Incorporated in Malaysia)**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH  
QUARTER ENDED 30 APRIL 2011****B13. Earnings per share**

The basic earnings per share for the current quarter ended 30 April 2011 has been calculated based on the net profit 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 30.04.2011	Preceding year corresponding quarter 30.04.2010	Current year to-date 30.04.2011	Preceding year corresponding period 30.04.2010
Net profit for the period attributable to the ordinary equity holder of the Company (RM'000)	428	713	1,000	4,487
Weighted average number of ordinary shares in issue ('000)	415,800	415,800	415,800	415,800
Basic profit earnings per share attributable to equity holders of the Company (sen)	0.10	0.17	0.24	1.08