

M N C WIRELESS BERHAD
(Company No. 635884 - T)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE THREE (3) MONTHS PERIOD ENDED 31 MARCH 2008 (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	← 3 months period ended → 31.03.2008	31.03.2007	← 3 months period ended → 31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	2,499	1,735	2,499	1,735
Cost of sales	(1,435)	(758)	(1,435)	(758)
Gross Profit	1,064	977	1,064	977
Operating Expenses	(1,621)	(1,257)	(1,621)	(1,257)
Investment income	45	50	45	50
Share of loss of associates	(10)	(70)	(10)	(70)
Loss Before Taxation	(522)	(300)	(522)	(300)
Taxation	-	-	-	-
Loss For The Period	(522)	(300)	(522)	(300)
Loss per share				
(i) Basic (Sen)	(0.55)	(0.32)	(0.55)	(0.32)
(ii) Diluted (Sen)	(0.55)	(0.32)	(0.55)	(0.32)

The condensed consolidated Income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the Interim financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008

	As At 31.03.2008 Unaudited RM'000	As At 31.12.2007 Audited RM'000
ASSETS		
Non-Current Assets		
Investment in associates	1,654	1,664
Plant and equipment	1,330	1,426
Product development expenditure	2,697	2,668
Intellectual property	816	842
	<u>6,497</u>	<u>6,600</u>
Current Assets		
Trade receivables	2,151	1,591
Other receivables, deposits and prepayments	850	541
Amount owing by associate	150	149
Tax refundable	19	46
Short term deposits with a licensed bank	5,259	5,217
Cash and bank balances	1,218	2,044
	<u>9,647</u>	<u>9,588</u>
TOTAL ASSETS	<u><u>16,144</u></u>	<u><u>16,188</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	9,447	9,447
Share premium	2,232	2,232
Retained profits	2,311	2,833
Total Equity	<u>13,990</u>	<u>14,512</u>
Current Liabilities		
Trade payables	1,796	1,472
Other payables and accruals	358	204
Total Liabilities	<u>2,154</u>	<u>1,676</u>
TOTAL EQUITY AND LIABILITIES	<u><u>16,144</u></u>	<u><u>16,188</u></u>
No. of ordinary shares ('000)	94,474	94,474
Net assets per ordinary share (sen)	14.8	15.4

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE (3) MONTHS PERIOD ENDED 31 MARCH 2008 (UNAUDITED)

	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Retained Profits</u> RM'000	<u>Total</u> RM'000
Three (3) month ended 31 March 2008				
As at 1 January 2008	9,447	2,232	2,833	14,512
Net loss for the financial period	-	-	(522)	(522)
As at 31 March 2008	9,447	2,232	2,311	13,990
Three (3) month ended 31 March 2007				
<u>As at 1 January 2007</u> As previously stated	9,447	2,232	4,180	15,859
Net loss for the financial period	-	-	(300)	(300)
As at 31 March 2007	9,447	2,232	3,880	15,559

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE (3) MONTHS PERIOD ENDED 31 MARCH 2008
(UNAUDITED)**

	<----- 3 months period ended ----->	>
	31.03.2008	31.03.2007
	RM'000	RM'000
Cash Flows (For)/From Operating Activities		
Loss before taxation	(522)	(300)
Adjustments for:-		
Non-cash items	615	492
Non-operating items	(45)	(50)
Share of loss of associates	10	70
Operating profit before working capital changes	58	212
(Decrease)/increase in trade and other receivables	(644)	243
Increase/(decrease) in trade and other payables	280	(298)
Net cash (for)/from operations	(306)	157
Tax refunded	-	-
Net cash (for)/from operating activities	(306)	157
Cash Flows (For)/From Investing Activities		
Investment in associates	-	(1,851)
Purchase of plant and equipment	(43)	(18)
Product development expenditure	(479)	(436)
Interest received	45	50
Net cash for investing activities	(477)	(2,255)
Cash Flow From Financing Activities		
Advance to associate	(1)	-
Net cash from financing activities	(1)	-
Net Decrease In Cash And Cash Equivalents	(784)	(2,098)
Cash And Cash Equivalents At Beginning Of The Financial Period	7,261	8,438
Cash And Cash Equivalents At End Of The Financial Period	6,477	6,340
<u>Represented By:</u>		
Cash and bank balances	1,218	2,044
Short term deposits with a licensed bank	5,259	5,217
	6,477	7,261

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.