

M N C WIRELESS BERHAD

(Company No. 635884 - T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2009	Preceding Year Quarter 30.6.2008	Current Year To Date 30.6.2009	Preceding Year To Date 30.6.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	4,242	2,646	8,417	5,145
Cost of sales	(2,669)	(1,628)	(5,286)	(3,063)
Gross profit	1,573	1,018	3,131	2,082
Operating expenses	(1,686)	(1,614)	(3,362)	(3,235)
Investment income	23	44	49	89
Share of loss of associate	(79)	(95)	(119)	(105)
Loss before taxation	(169)	(647)	(301)	(1,169)
Taxation	-	-	-	-
Loss for the period	(169)	(647)	(301)	(1,169)
Loss per share				
(i) Basic (Sen)	(0.18)	(0.68)	(0.32)	(1.24)
(ii) Diluted (Sen)	(0.18)	(0.68)	(0.32)	(1.24)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2009

	As At 30.6.2009 Unaudited RM'000	As At 31.12.2008 Audited RM'000
ASSETS		
Non-Current Assets		
Investment in associate	1,594	1,713
Plant and equipment	1,057	1,191
Product development expenditure	2,762	2,855
Intellectual property	689	740
	6,102	6,499
Current Assets		
Trade receivables	3,472	2,427
Other receivables, deposits and prepayments	452	402
Amount owing by associates	701	699
Tax refundable	17	20
Short term deposits with a licensed bank	4,021	3,972
Cash and bank balances	1,326	645
	9,989	8,165
TOTAL ASSETS	16,091	14,664
EQUITY AND LIABILITIES		
Equity		
Share capital	9,447	9,447
Share premium	2,232	2,232
Retained profits	506	807
Total Equity	12,185	12,486
Current Liabilities		
Trade payables	3,488	1,803
Other payables and accruals	418	375
Total Liabilities	3,906	2,178
TOTAL EQUITY AND LIABILITIES	16,091	14,664
No. of ordinary shares ('000)	94,474	94,474
Net assets per ordinary share (sen)	12.90	13.22

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Retained Profits</u> RM'000	<u>Total</u> RM'000
Six (6) months ended 30 June 2009				
As at 1 January 2009	9,447	2,232	807	12,486
Loss for the period	-	-	(301)	(301)
As at 30 June 2009	9,447	2,232	506	12,185
Six (6) months ended 30 June 2008				
As at 1 January 2008	9,447	2,232	2,833	14,512
Loss for the period	-	-	(1,169)	(1,169)
As at 30 June 2008	9,447	2,232	1,664	13,343

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX (6) MONTHS PERIOD ENDED 30 JUNE 2009
(UNAUDITED)**

	Curent Year To Date 30.6.2009 RM'000	Preceding Year To Date 30.6.2008 RM'000
Cash Flows For Operating Activities		
Loss before taxation	(301)	(1,169)
Adjustments for:-		
Non-cash items	1,250	1,239
Non-operating items	(49)	(44)
Share of loss of associate	119	105
Operating profit before working capital changes	<u>1,019</u>	<u>131</u>
Increase in trade and other receivables	(1,095)	(767)
Increase in trade and other payables	1,728	693
Net cash from operations	<u>1,652</u>	<u>57</u>
Tax refunded	3	26
Net cash from operating activities	<u>1,655</u>	<u>83</u>
Cash Flows For Investing Activities		
Investment in associate	-	(527)
Purchase of plant and equipment	(117)	(251)
Product development expenditure	(855)	(950)
Interest received	49	44
Net cash for investing activities	<u>(923)</u>	<u>(1,684)</u>
Cash Flow For Financing Activity		
Advances to associates	(2)	-
Net increase / (decrease) in cash and cash equivalents	<u>730</u>	<u>(1,601)</u>
Cash and cash equivalents at beginning of the financial period	4,617	7,261
Cash and cash equivalents at end of the financial period	<u>5,347</u>	<u>5,660</u>
Represented By:		
Cash and bank balances	1,326	363
Short term deposits with a licensed bank	4,021	5,297
	<u>5,347</u>	<u>5,660</u>

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.