

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE NINE (9) MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2009	Preceding Year Quarter 30.9.2008	Current Year To Date 30.9.2009	Preceding Year To Date 30.9.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	4,393	2,693	12,811	7,837
Cost of sales	<u>(2,529)</u>	<u>(1,366)</u>	<u>(7,815)</u>	<u>(4,429)</u>
Gross profit	1,864	1,327	4,996	3,408
Operating expenses	(1,863)	(1,402)	(5,226)	(4,637)
Investment income	26	42	75	131
Share of profit/(loss) of associate	3	(41)	(116)	(146)
Profit/(Loss) before taxation	<u>30</u>	<u>(74)</u>	<u>(271)</u>	<u>(1,244)</u>
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the period	<u><u>30</u></u>	<u><u>(74)</u></u>	<u><u>(271)</u></u>	<u><u>(1,244)</u></u>
Profit/(Loss) per share				
(i) Basic (Sen)	0.03	(0.08)	(0.29)	(1.32)
(ii) Diluted (Sen)	0.03	(0.08)	(0.29)	(1.32)

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 SEPTEMBER 2009**

	As At 30.9.2009 Unaudited <u>RM'000</u>	As At 31.12.2008 Audited <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment in associate	1,597	1,713
Plant and equipment	1,031	1,191
Product development expenditure	2,686	2,855
Intellectual property	663	740
	<u>5,977</u>	<u>6,499</u>
<b>Current Assets</b>		
Trade receivables	3,762	2,427
Other receivables, deposits and prepayments	647	402
Amount owing by associate	689	699
Tax refundable	17	20
Short term deposits with a licensed bank	4,097	3,972
Cash and bank balances	1,439	645
	<u>10,651</u>	<u>8,165</u>
<b>TOTAL ASSETS</b>	<u><u>16,628</u></u>	<u><u>14,664</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	9,447	9,447
Share premium	2,232	2,232
Retained profits	536	807
<b>Total Equity</b>	<u>12,215</u>	<u>12,486</u>
<b>Current Liabilities</b>		
Trade payables	3,852	1,803
Other payables and accruals	561	375
<b>Total Liabilities</b>	<u>4,413</u>	<u>2,178</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>16,628</u></u>	<u><u>14,664</u></u>
No. of ordinary shares ('000)	94,474	94,474
<b>Net assets per ordinary share (sen)</b>	12.93	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 NINE (9) MONTHS PERIOD ENDED 30 SEPTEMBER 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
<b>Nine (9) months ended 30 September 2009</b>				
As at 1 January 2009	9,447	2,232	807	12,486
Loss for the period	-	-	(271)	(271)
As at 30 September 2009	9,447	2,232	536	12,215
<b>Nine (9) months ended 30 September 2008</b>				
As at 1 January 2008	9,447	2,232	2,833	14,512
Loss for the period	-	-	(1,244)	(1,244)
As at 30 September 2008	9,447	2,232	1,589	13,268

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 NINE (9) MONTHS PERIOD ENDED 30 SEPTEMBER 2009 (UNAUDITED)**

	Curent Year To Date 30.9.2009 RM'000	Preceding Year To Date 30.9.2008 RM'000
<b>Cash Flows For Operating Activities</b>		
Loss before taxation	(271)	(1,244)
Adjustments for:-		
Non-cash items	1,858	1,897
Non-operating items	(75)	(131)
Share of loss of associate	116	146
<b>Operating profit before working capital changes</b>	<b>1,628</b>	<b>668</b>
Increase in trade and other receivables	(1,580)	(514)
Increase in trade and other payables	2,235	923
<b>Net cash from operations</b>	<b>2,283</b>	<b>1,077</b>
Tax refunded	3	26
<b>Net cash from operating activities</b>	<b>2,286</b>	<b>1,103</b>
<b>Cash Flows For Investing Activities</b>		
Investment in associate	-	(527)
Purchase of plant and equipment	(203)	(307)
Product development expenditure	(1,249)	(1,663)
Interest received	75	131
<b>Net cash for investing activities</b>	<b>(1,377)</b>	<b>(2,366)</b>
<b>Cash Flow For Financing Activity</b>		
Advances to associates	10	(368)
Net increase / (decrease) in cash and cash equivalents	919	(1,631)
Cash and cash equivalents at beginning of the financial period	4,617	7,261
Cash and cash equivalents at end of the financial period	<b>5,536</b>	<b>5,630</b>
 <b>Represented By:</b>		
Cash and bank balances	1,439	892
Short term deposits with a licensed bank	4,097	4,738
	<b>5,536</b>	<b>5,630</b>

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.