

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011 (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2011 RM'000	Preceding Year Quarter 30.06.2010 RM'000	Current Year To Date 30.06.2011 RM'000	Preceding Year To Date 30.06.2010 RM'000
Revenue	4,219	3,434	7,854	6,934
Cost of sales	(2,433)	(1,840)	(4,421)	(3,711)
Gross profit	1,786	1,594	3,433	3,223
Operating expenses	(1,796)	(1,487)	(3,450)	(3,115)
Share of loss of an associate	-	(52)	-	(57)
Investment income	34	28	66	54
Profit before taxation	24	83	49	105
Taxation	-	-	-	-
Profit for the year	24	83	49	105
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	24	83	49	105
Earning per share				
(i) Basic (Sen)	0.03	0.09	0.05	0.11
(ii) Diluted (Sen)	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011 (UNAUDITED)

	As At 30.06.2011 Unaudited RM'000	As At 31.12.2010 Audited RM'000
Assets		
Non-Current Assets		
Investment in unquoted shares	41	-
Equipment	711	573
Product development expenditure	2,381	2,406
Intangible assets	485	536
	3,618	3,515
Current Assets		
Trade receivables	3,044	3,150
Other receivables, deposits and prepayments	266	199
Amount owing by an associate	19	43
Tax refundable	13	17
Short term deposits with licensed banks	4,291	4,233
Cash and bank balances	2,530	2,190
	10,163	9,832
Total assets	13,781	13,347
Equity and liabilities		
Equity		
Share capital	9,447	9,447
Share premium	2,232	2,232
Accumulated losses	(807)	(856)
Total Equity	10,872	10,823
Current Liabilities		
Trade payables	2,303	2,143
Other payables and accruals	606	381
Total Liabilities	2,909	2,524
Total equity and liabilities	13,781	13,347
No. of ordinary shares ('000)	94,474	94,474
Net assets per ordinary share (sen)	11.51	11.46

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 June 2011 (UNAUDITED)**

	<u>Share Capital</u>	<u>Share Premium</u>	<u>(Accumulated Losses)/Retained Profits</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Six (6) months ended 30 June 2011				
As at 1 January 2011	9,447	2,232	(856)	10,823
Total comprehensive income for the period	-	-	49	49
	<u>9,447</u>	<u>2,232</u>	<u>(807)</u>	<u>10,872</u>
As at 30 June 2011	<u>9,447</u>	<u>2,232</u>	<u>(807)</u>	<u>10,872</u>
Six (6) months ended 30 June 2010				
As at 1 January 2010	9,447	2,232	542	12,221
Total comprehensive income for the period	-	-	105	105
	<u>9,447</u>	<u>2,232</u>	<u>647</u>	<u>12,326</u>
As at 30 June 2010	<u>9,447</u>	<u>2,232</u>	<u>647</u>	<u>12,326</u>

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011 (UNAUDITED)**

	Curent Year To Date 30.06.2011 RM'000	Preceding Year To Date 30.06.2010 RM'000
Cash Flows From/(For) Operating Activities		
Profit before taxation	49	105
Adjustments for:-		
Non-cash items	1,082	1,145
Non-operating items	(66)	(54)
Share of loss of an associate	-	57
Operating profit before working capital changes	1,065	1,253
Decrease in trade and other receivables	39	178
Increase/(Decrease) in trade and other payables	385	(794)
Net cash from operations	1,489	637
Tax refunded	4	-
Net cash from operating activities	1,493	637
Cash Flows For/(From) Investing Activities		
Purchase of equipment	(313)	(14)
Product development expenditure incurred	(833)	(796)
Proceeds from disposal of equipment	2	-
Investment in unquoted shares	(41)	-
Interest received	66	54
Net cash for investing activities	(1,119)	(756)
Cash Flow From Financing Activity		
Repayments from an associate	24	22
Net increase/(decrease) in cash and cash equivalents	398	(97)
Cash and cash equivalents at beginning of the financial period	6,423	5,760
Cash and cash equivalents at end of the financial period	6,821	5,663
Represented By:		
Cash and bank balances	2,530	1,489
Short term deposits with licensed banks	4,291	4,174
	6,821	5,663

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.