

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012 (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2012	Preceding Year Quarter 30.9.2011	Current Year To Date 30.9.2012	Preceding Year To Date 30.9.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	3,303	3,534	10,451	11,388
Cost of sales	<u>(2,342)</u>	<u>(2,087)</u>	<u>(7,340)</u>	<u>(6,508)</u>
Gross profit	961	1,447	3,111	4,880
Operating expenses	(1,795)	(1,711)	(5,453)	(5,161)
Share of loss of an associate	-	-	-	-
Investment income	20	36	66	102
Finance expenses	<u>(16)</u>	<u>-</u>	<u>(36)</u>	<u>-</u>
Loss before taxation	(830)	(228)	(2,312)	(179)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	(830)	(228)	(2,312)	(179)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive expense for the financial period	<u><u>(830)</u></u>	<u><u>(228)</u></u>	<u><u>(2,312)</u></u>	<u><u>(179)</u></u>
Earning per share				
(i) Basic (Sen)	(0.88)	(0.24)	(2.45)	(0.19)
(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 2011 and the accompanying explanatory notes attached to the interim financial statements.

M N C WIRELESS BERHAD

(Company No. 635884 - T)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012 (UNAUDITED)

	As At 30.9.2012 Unaudited RM'000	As At 31.12.2011 Audited RM'000
Assets		
Non-Current Assets		
Other investment	41	41
Property and equipment	2,936	1,905
Product development expenditure	2,889	2,493
Intangible asset	357	434
	<u>6,223</u>	<u>4,873</u>
Current Assets		
Inventories	89	-
Trade receivables	2,521	3,189
Other receivables, deposits and prepayments	173	125
Tax refundable	13	13
Short term deposits with licensed banks	2,554	3,496
Cash and bank balances	949	1,759
	<u>6,299</u>	<u>8,582</u>
Total assets	<u><u>12,522</u></u>	<u><u>13,455</u></u>
Equity and liabilities		
Equity		
Share capital	9,447	9,447
Share premium	2,232	2,232
Accumulated losses	(3,747)	(1,435)
Total Equity	<u>7,932</u>	<u>10,244</u>
Current Liabilities		
Trade payables	2,880	2,449
Other payables and accruals	337	346
	<u>3,217</u>	<u>2,795</u>
Non Current Liability		
Term loans	1,373	416
Total Liabilities	<u>4,590</u>	<u>3,211</u>
Total equity and liabilities	<u><u>12,522</u></u>	<u><u>13,455</u></u>
No. of ordinary shares ('000)	94,474	94,474
Net assets per ordinary share (sen)	8.40	10.84

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 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 SEPTEMBER 2012 (UNAUDITED)**

	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Accumulated Losses</u> RM'000	<u>Total</u> RM'000
Nine (9) months ended 30 September 2012				
As at 1 January 2012	9,447	2,232	(1,435)	10,244
Total comprehensive expenses for the financial period	-	-	(2,312)	(2,312)
As at 30 September 2012	<u>9,447</u>	<u>2,232</u>	<u>(3,747)</u>	<u>7,932</u>
Nine (9) months ended 30 September 2011				
As at 1 January 2011	9,447	2,232	(856)	10,823
Total comprehensive expense for the financial period	-	-	(179)	(179)
As at 30 September 2011	<u>9,447</u>	<u>2,232</u>	<u>(1,035)</u>	<u>10,644</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 2011 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 SEPTEMBER 2012 (UNAUDITED)

	Curent Year To Date 30.9.2012 RM'000	Preceding Year To Date 30.9.2011 RM'000
Cash Flows From/(For) Operating Activities		
Loss before taxation	(2,312)	(179)
Adjustments for:-		
Non-cash items	1,693	1,622
Interest expense	36	-
Non-operating items	(66)	(102)
Operating (loss)/profit before working capital changes	(649)	1,341
Increase in inventories	(89)	-
Decrease/(Increase) in trade and other receivables	620	(152)
Increase/(Decrease) in trade and other payables	422	(142)
Net cash from operations	304	1,047
Interest paid	(36)	-
Tax refunded	-	4
Net cash from operating activities	268	1,051
Cash Flows (For)/From Investing Activities		
Purchase of property and equipment	(1,328)	(777)
Product development expenditure incurred	(1,715)	(1,280)
Proceeds from disposal of equipment	-	2
Investment in unquoted shares	-	(41)
Interest received	66	102
Net cash for investing activities	(2,977)	(1,994)
Cash Flow From/(For) Financing Activities		
Drawdown of term loans	1,232	-
Repayments of term loans	(275)	-
Repayments from an associate	-	35
Net cash from financing activities	957	35
Net decrease in cash and cash equivalents	(1,752)	(908)
Cash and cash equivalents at beginning of the financial period	5,255	6,423
Cash and cash equivalents at end of the financial period	3,503	5,515
Represented By:		
Cash and bank balances	949	1,493
Short term deposits with licensed banks	2,554	4,022
	3,503	5,515

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.