

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Quarterly Report on Consolidated Results for the 3rd Quarter Ended 30 September, 2008**Condensed Consolidated Income Statement**

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMMULATIVE QUARTER | |
|---|------------------------------------|--|------------------------------------|---|
| | Current Year Quarter 30/09/2008 | Preceding Year Corresponding Quarter 30/09/2007 | Current Year To Date 30/09/2008 | Preceding Year Corresponding Period 30/09/2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 27 | 107 | 310 | 329 |
| Other Income | - | 131 | 179 | 459 |
| | 27 | 238 | 489 | 788 |
| Cost of Goods Sold | 22 | 55 | 180 | 100 |
| Staff Costs | 322 | 269 | 843 | 1,060 |
| Operating Expenses | 1,516 | 472 | 2,402 | 9,422 |
| Loss before Depreciation and Amortisation and Finance Costs | (1,833) | (558) | (2,936) | (9,794) |
| Depreciation and Amortisation Expenses | 368 | 275 | 1,179 | 834 |
| Loss From Operations | (2,201) | (833) | (4,115) | (10,628) |
| Finance Costs | 15 | 45 | 131 | 154 |
| Loss Before Taxation | (2,216) | (878) | (4,246) | (10,782) |
| Taxation | 67 | - | 67 | - |
| Net Loss for the Period | (2,283) | (878) | (4,313) | (10,782) |
| Basic Earning/(Loss) per Share (sen) | (1.51) | (0.58) | (2.85) | (7.12) |
| Diluted Earnings per Share (sen) | - | - | - | - |

The Condensed Consolidated Income Statement should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2007

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Condensed Consolidated Balance Sheet

(The figures have not been audited)

| | As At End of Current Quarter 30/09/2008 | As At Preceding Financial Year End 31/12/2007 |
|---|---|---|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant and Equipment | 403 | 656 |
| Intangible Assets | 2,062 | 2,344 |
| Development Costs | 3,273 | 3,394 |
| | 5,738 | 6,394 |
| Current Assets | | |
| Work In Progress | 584 | 1,020 |
| Receivables | 2,393 | 7,243 |
| Security Deposit with Licensed Financial Institution | 970 | 835 |
| Cash and Bank Balances | 427 | 1,192 |
| | 4,374 | 10,290 |
| | | |
| TOTAL ASSETS | 10,112 | 16,684 |
| EQUITY AND LIABILITIES | | |
| Equity Attributable to Equity Holders of the Company | | |
| Share Capital | 15,150 | 15,150 |
| Share Premium | 6,150 | 6,150 |
| Accumulated Losses | (13,880) | (9,567) |
| | 7,420 | 11,733 |
| Non-Current Liabilities | | |
| Hire Purchase Creditors | 202 | 196 |
| Term Loans | - | 2,257 |
| | 202 | 2,453 |
| Current Liabilities | | |
| Trade Payables | 1,161 | 1,022 |
| Overdraft | 1,326 | 1,256 |
| Term Loan | - | 183 |
| Hire Purchase Creditors | 3 | 37 |
| | 2,490 | 2,498 |
| TOTAL EQUITY AND LIABILITIES | 10,112 | 16,684 |
| | | |
| NET ASSETS PER SHARE (RM) | 0.05 | 0.09 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Financial Statements for the for the Year Ended 31st December, 2007.

AIROCOM TECHNOLOGY BERHAD (498908-A)

(Incorporated In Malaysia)

Condensed Statement of Changes in Equity for the 3rd Quarter Ended 30 September, 2008.

(The figures have not been audited)

| | NOTE | Share Capital (RM'000) | Share Premium (RM'000) | Revaluation Reserve (RM'000) | Translation Reserve (RM'000) | Retained Profits (RM'000) | Total (RM'000) |
|--------------------------|------|------------------------------|------------------------------|------------------------------------|------------------------------------|---------------------------------|-------------------|
| Balance as at 01/01/2008 | | 15,150 | 6,150 | - | - | (9,567) | 11,733 |
| Net Loss for the Period | | - | - | - | - | (4,313) | (4,313) |
| Balance as at 30/09/2008 | | <u>15,150</u> | <u>6,150</u> | <u>-</u> | <u>-</u> | <u>(13,880)</u> | <u>7,420</u> |

The Condensed Statement of Changes in Equity should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2007.

AIROCOM TECHNOLOGY BERHAD (498908-A)

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Condensed Consolidated Cash Flow Statement for the 3rd Quarter Ended 30 September, 2008.

| | Current Period Ended 30/09/2008 | As At Preceding Period Ended 30/09/2007 |
|--|--|--|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (Loss) Before Taxation | (2,283) | (878) |
| Adjustments For : | | |
| Interest Received | - | - |
| Interest Expenses | 15 | 45 |
| Gain on disposal of Property, Plant and Equipment | - | (22) |
| Depreciation and Amortisation Expenses | 368 | 275 |
| Operating Profit/(Loss) Before Working Capital Changes | (1,900) | (580) |
| Decrease/(Increase) in Work In Progress | 504 | 167 |
| Decrease in Receivables | 493 | 96 |
| (Decrease) / Increase in Advance Billing | (16) | - |
| Decrease in Development Cost | - | - |
| (Decrease)/ Increase in Payables | 195 | (55) |
| Cash Used In Operations | (724) | (372) |
| Interest Expenses Paid | (15) | (45) |
| Net Cash Used In Operating Activities | (739) | (417) |
| CASH FLOWS FROM INVESTING ACTIVITY | | |
| Addition to Development Cost | (108) | (460) |
| Interest Received | - | - |
| Proceed from Disposal Property, Plant and Equipment | - | 45 |
| Purchase of Property, Plant and Equipment | (25) | - |
| Net Cash Used In Investing Activity | (133) | (415) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Addition to Security Deposit with Licensed Financial Institution | (45) | (45) |
| Repayment of Borrowings | - | (78) |
| Drawdown of Borrowing | - | - |
| Repayment of Hire Purchase Creditors | (11) | (65) |
| Net Cash Generated From Financing Activities | (56) | (188) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (928) | (1,020) |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD | 29 | 1,798 |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD [^] | (899) | 778 |

[^] Cash and Cash Equivalents at the end of financial period comprise of the following :

| | Current Period Ended 30/09/2008 | As At Preceding Period Ended 30/09/2007 |
|---|--|--|
| Cash in Hand and at Bank | 427 | 1,858 |
| Fixed Deposit at Licensed Financial Institution | - | - |
| Overdraft | (1,326) | (1,080) |
| | (899) | 778 |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Financial Statements for the Year Ended 31st December, 2007