M3 TECHNOLOGIES (ASIA) BERHAD (Incorporated in Malaysia - Company No. 482772-D) CONDENSED CONSOLIDATED INCOME STATEMENTS For the six (6) months ended 31 December 2008 (THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL	QUARTER	CUMULATIVE QUARTER			
	2008 Quarter Ended 31-Dec-08 RM'000	2007 Quarter Ended 31-Dec-07 RM'000	2008 Year to date 31-Dec-08 RM'000	2007 Year to date 31-Dec-07 RM'000		
Revenue	8,900	7,923	17,104	15,999		
Operating Expenses	(6,852)	(6,475)	(13,161)	(12,936)		
Other Operating Income	-	-	-	-		
Profit from Operations	2,048	1,448	3,943	3,063		
Finance costs, net	110	63	202	108		
Profit before taxation	2,158	1,511	4,145	3,171		
Taxation	(542)	(539)	(1,091)	(1,146)		
Profit after taxation	1,616	972	3,054	2,025		
Attributable to: Equity holders of the Company	1,413	787	2,659	1,582		
Minority interests	203	185	395	443		
Profit for the period	1,616	972	3,054	2,025		
Earnings per share Basic / Diluted (sen)	0.86	0.48	1.63	0.97		
Duble / Diluted (bell)	0.00	0.10	1.05	0.77		

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June 2008)

M3 TECHNOLOGIES (ASIA) BERHAD CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2008 & 30 June 2008

	(UNAUDITED) As at 31-Dec-08 RM'000	(AUDITED) As at 30-Jun-08 RM'000
Non-current Assets		
Plant and equipment	5,060	5,754
Inventory	189	-
Intangible assets	1,103	1,123
Deferred tax asset	121	121
Goodwill on consolidation	12,905	12,905
	19,378	19,903
Current Assets		
Trade receivables	9,388	11,147
Other receivables	2,834	1,398
Tax prepayment	<u>-</u> ,00 .	2
Cash and bank balances	21,702	17,998
	33,924	30,545
Current Liabilities		
	1 700	1 701
Trade payables Other payables	1,798 2,589	1,701 3,082
Tax payable	1,075	1,136
Tax payable	5,462	5,919
	3,402	3,717
Net Current Assets	28,462	24,626
	47,840	44,529
	.,,,,,,	11,025
Shareholders' Funds	16 252	16 252
Share capital Share premium	16,352 2,352	16,352 2,352
Retained profit	27,304	24,645
Foreign exchange reserve	(395)	(762)
Poreign exchange reserve	45,613	42,587
Minority interest	2,046	1,768
Williothy interest	47,659	44,355
Deferred tax liabilities	181	174
Second was ampained	47,840	44,529
Net assets per share (sen)	29.15	27.13
Net assets per share attributable to ordinary equity holders of the parent	27.89	26.04

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008)

M3 TECHNOLOGIES (ASIA) BERHAD CONDENSED CONSOLIDATED CASH FLOW STATEMENT For the six (6) months ended 31 December 2008 & 31 December 2007

CASH FLOW FROM OPERATING ACTIVITIES Profit before taxation 4,145 3,171 Adjustment for: 3,279 Amortisation and depreciation 1,493 2,279 Loss on sale of plant and equipment - 7 Operating profit before working capital changes 5,638 5,457 Changes in working capital: (Increase)/Decrease in receivables 323 (632) Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES 4,413 2,450 Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES (117) (121) Dividend paid to minority interest of a subsidiary (117) (121)		31-Dec-08 RM'000	31-Dec-07 RM'000
Adjustment for: Amortisation and depreciation 1,493 2,279 Loss on sale of plant and equipment Operating profit before working capital changes 5,638 5,457 Changes in working capital: (Increase)/Decrease in receivables 323 (632) Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES (427) (308) Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES (117) (121) Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALE	CASH FLOW FROM OPERATING ACTIVITIES		
Amortisation and depreciation 1,493 2,279 Loss on sale of plant and equipment - 7 Operating profit before working capital changes 5,638 5,457 Changes in working capital: (Increase)/Decrease in receivables 323 (632) Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES (117) (121) Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH	Profit before taxation	4,145	3,171
Loss on sale of plant and equipment - 7 Operating profit before working capital changes 5,638 5,457 Changes in working capital: (Increase)/Decrease in receivables 323 (632) Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Variable of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Variable of plant and equipment (117) (121) Net cash used in investing activities (117) (121) Net cash used in from financing activities (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVAL	Adjustment for:		
Operating profit before working capital: 5,638 5,457 Changes in working capital: 323 (632) (Increase)/Decrease in receivables 323 (632) Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Variable of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Variable of the properties of a subsidiary (117) (121) Net cash used in from financing activities (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414		1,493	2,279
Changes in working capital: 323 (632) (Increase)/Decrease in receivables 323 (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activities (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 (1,320) EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 (14,414)		-	7
(Increase)/Decrease in receivables 323 (632) Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES 2,450 Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES 300 (117) (121) Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 (727) EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 (14,414)	Operating profit before working capital changes	5,638	5,457
Decrease in payables (396) (1,377) Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Variable of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Variable of plant and equipment of a subsidiary (117) (121) Net cash used in from financing activities (117) (121) Net cash used in from financing activities (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	Changes in working capital:		
Cash generated from operating activities 5,565 3,448 Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Various of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Various (117) (121) Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	(Increase)/Decrease in receivables	323	(632)
Taxes paid (1,152) (998) Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Variable of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Variable of the plant of the properties of a subsidiary (117) (121) Net cash used in from financing activities (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	Decrease in payables	(396)	(1,377)
Net cash generated from operating activities 4,413 2,450 CASH FLOW FROM INVESTING ACTIVITIES Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414		5,565	3,448
CASH FLOW FROM INVESTING ACTIVITIES Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414			
Purchase of plant and equipment (427) (308) Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	Net cash generated from operating activities	4,413	2,450
Product development expenditure (533) (702) Proceeds from disposal of plant and equipment 1 1 1 Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment Net cash used in investing activities CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary Net cash used in from financing activites NET CHANGE IN CASH AND CASH EQUIVALENTS EFFECT OF EXCHANGE RATE CHANGES CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414		(427)	(308)
Net cash used in investing activities (960) (1,010) CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414		(533)	(702)
CASH FLOW FROM FINANCING ACTIVITIES Dividend paid to minority interest of a subsidiary Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS EFFECT OF EXCHANGE RATE CHANGES CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414		*	1
Dividend paid to minority interest of a subsidiary (117) (121) Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	Net cash used in investing activities	(960)	(1,010)
Net cash used in from financing activites (117) (121) NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	CASH FLOW FROM FINANCING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS 3,337 1,320 EFFECT OF EXCHANGE RATE CHANGES 367 (727) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	Dividend paid to minority interest of a subsidiary	(117)	(121)
EFFECT OF EXCHANGE RATE CHANGES367(727)CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR17,99814,414	Net cash used in from financing activites	(117)	(121)
EFFECT OF EXCHANGE RATE CHANGES367(727)CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR17,99814,414			
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 17,998 14,414	NET CHANGE IN CASH AND CASH EQUIVALENTS	3,337	1,320
	EFFECT OF EXCHANGE RATE CHANGES		(727)
CASH AND CASH EQUIVALENTS AT QUARTER END 21,702 15,007	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,998	14,414
	CASH AND CASH EQUIVALENTS AT QUARTER END	21,702	15,007

The cash and cash equivalents at beginning of year and quarter end represents cash on hand and at bank.

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June 2008)

M3 TECHNOLOGIES (ASIA) BERHAD CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six (6) months ended 31 December 2008 & 31 December 2007

	< Attributable to Equity Holders of the Parent > Foreign				Minority Interest	Total	
	Share Capital	Share Premium	Exchange Reserve	Retained Profit	Total		
-	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Six (6) months ended 31 December 2008							
Balance at 1 July 2008	16,352	2,352	(762)	24,645	42,587	1,768	44,355
Currency translation differences not recognised in income statement Net profit for the six (6) months period ended 31 December 2008 Dividend paid to minority interest of a subsidiary			367	2,659	367 2,659	395 (117)	367 3,054 (117)
Balance at 31 December 2008	16,352	2,352	(395)	27,304	45,613	2,046	47,659
Six (6) months ended 31 December 2007							
Balance at 1 July 2007	16,352	2,352	970	20,770	40,444	1,414	41,858
Currency translation differences not recognised in income statement Net profit for the six (6) months period ended 31 December 2007 Dividend paid to minority interest of a subsidiary			(727)	1,582	(727) 1,582	- 443 (121)	(727) 2,025 (121)
Balance at 31 December 2007	16,352	2,352	243	22,352	41,299	1,736	43,035

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended $30~\mathrm{June}~2008$)