

# **M3 TECHNOLOGIES (ASIA) BERHAD**

(Company No. 482772-D)  
(Incorporated in Malaysia)

## **Part A – Explanatory Notes Pursuant to FRS 134**

### **1. Basis of Preparation**

The interim financial report is unaudited and is prepared in accordance with **FRS 134** “Interim Financial Reporting” and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market, and should be read in conjunction with the Company’s financial statements for the year ended 30 June 2008.

The accounting policies and methods of computation adopted by the Company and its subsidiaries (“Group”) in the interim financial statements are consistent with those adopted for the financial year ended 30 June 2008.

### **2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report of the preceding annual financial statements is not subject to any qualification.

### **3. Comments on Seasonal or Cyclical Factors**

The business of the Group is not affected by any significant seasonal or cyclical factors.

### **4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items during this quarter.

### **5. Changes in Estimate**

There were no changes in the estimates of amounts reported during this quarter.

### **6. Debt and Equity Securities**

There were no issuance or repayment of debt and equity securities, share buy-back, shares cancellations, shares held as treasury shares and resale of treasury shares during this quarter.

### **7. Dividend Paid**

The Final Dividend of 10% (tax exempt) for the financial year ended 30 June 2008 as announced on 30 October 2008 was paid on 5 January 2009 to the depositors who are registered in the Record of Depositors of the Company at the close of business on 15 December 2008.

## 8. Segmental Information

Segmental information of the results of the Group for the nine (9) months ended 31 Mar 2009 is as follows:

<b>Analysis by Geographical Location</b>	<b>Malaysia RM'000</b>	<b>HK &amp; China RM'000</b>	<b>Other Countries RM'000</b>	<b>Eliminations RM'000</b>	<b>Group RM'000</b>
External revenue	9,879	3,964	11,592	-	25,435
Segment results	(87)	568	5,405	(285)	5,601
Finance income, net					285
Taxation					(1,671)
Profit after taxation					4,215
Minority interests					(545)
Net profit for the period					3,670

## 9. Carrying Amount of Revalued Assets

The Company did not revalue any of its property, plant and equipment during this quarter.

## 10. Subsequent Events

There was no material event that took place between 1 Apr 2009 and 20 May 2009 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report).

## 11. Changes in the Composition of the Group

There are no changes in the composition of the Group during this quarter.

## 12. Contingent Liabilities and Contingent Assets

As at 20 May 2009 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report), there were no changes in contingent liabilities and contingent assets since 30 Jun 2008.

## **Part B – Explanatory Notes Pursuant to Appendix 7A of the Listing Requirements of Bursa Securities for the MESDAQ Market**

### **13. Performance Review**

The Group generated revenue of RM8.33 million for the quarter, an increase of RM0.34 million as compared to RM 7.99 million in the corresponding quarter of the preceding year. Profit before tax for the quarter amounted to RM1.74 million as compared to a profit before tax of RM1.47 million in the corresponding quarter of the preceding year.

The higher revenue and profit recorded in the current quarter is mainly contributed by the foreign subsidiaries of the Group.

When compared to the previous quarter, revenue and profit before tax have decreased by RM0.57 million and RM0.42 million respectively. This drop was due to some delay in projects which however has reconvened in quarter 4.

### **14. Commentary on Prospects**

The Group remains optimistic with its projections based on its current, conventional mobile channels and that from our online store, [www.m3gps.com](http://www.m3gps.com). New product brands have been introduced to improve its catalogue, including Apple products such as iPods etc. We have also recently launched a new range of GPS Personal Navigational Devices (PND) from Taiwan called Altina - which we act as exclusive distributors for Malaysia, Indonesia and Thailand. Currently, the MY online store revenue is amounting to approximately 10% of the local turnover.

Thailand, Indonesia and China stores have already been deployed. Significant advertisement and promotion efforts will soon commence to further promote these regional eStores. All our online stores will soon be hosted under a single entity, [www.m3asia.com](http://www.m3asia.com), expected to be launched in July. We remain confident that the online store initiative will contribute positively to the Group's Performance.

Important to note that this new venture will not compromise the conventional business channels deployed by The Group to date - this includes introducing new technologies and partnerships to further boost M3Tech's position as a leader in providing quality mobile applications and solutions in its respective regions.

With continuous efforts to ensure sustainable growth and also positive contribution from our oversea operations, it is our belief that the Group will continue the trend and remain profitable in the coming financial year 2009.

### **15. Profit Forecast and Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.

## 16. Taxation

	<b>Individual Quarter 2009 Quarter Ended 31-Mar-09 RM'000</b>	<b>Cumulative Quarter 2008 Year to date 31-Mar-08 RM'000</b>
Tax expense for:		
Malaysian income tax	(40)	(45)
Foreign tax	(540)	(1,626)
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	(580)	(1,671)

The Malaysia taxation charge is in respect of interest income of the Company. There is no taxation charge on the business income as the Company was accorded the Multimedia Super Corridor (MSC) Status which exempts 100% of the Company Statutory business income from taxation, which expires on 23 October 2010. As for the foreign tax charges, it is in respect of income tax charge on the business income at their respective income tax rate.

## 17. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties during the quarter.

## 18. Quoted Securities

The Group did not have any investment in quoted securities as at the date of this report.

## 19. Status of Corporate Proposals as at 20 May 2009 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report)

There is no outstanding corporate proposal.

## 20. Group Borrowings and Debt Securities

The Group did not have any borrowings and debt securities as at 31 Mar 2009.

## 21. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments.

## 22. Changes in Material Litigation

As at 20 May 2009 (being the latest practicable date not earlier than seven (7) days from the date of issue of this report), the Company was not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group.

### 23. Dividend Payable

There is no dividend payable as at 31 March 2009.

### 24. Earning Per Share

The earnings per share was calculated by dividing the Company's profit after taxation and minority interest by the weighted average number of ordinary shares in the respective period as follows:

	<b>2009 Current Quarter Ended 31-Mar-09</b>	<b>2008 Current Quarter Ended 31-Mar-08</b>	<b>2009 Year to date 31-Mar-09</b>	<b>2008 Year to date 31 Mar-08</b>
Profit after tax and minority interest(RM'000)	1,011	902	3,670	2,484
Weighted average number of ordinary shares for:-				
Basic Earnings	163,518,740	163,518,740	163,518,740	163,518,740
Diluted Earnings				
Total before adjustment	163,518,740	163,518,740	163,518,740	163,518,740
Adjustment for assumed Conversion of ESOS	-	-	-	-
Adjusted total	163,518,740	163,518,740	163,518,740	163,518,740