

M3 TECHNOLOGIES (ASIA) BERHAD
(Incorporated in Malaysia - Company No. 482772-D)
CONDENSED CONSOLIDATED INCOME STATEMENTS
For the six (6) months ended 31 DECEMBER 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	2010 Quarter Ended 31-Dec-10 RM'000	2009 Quarter Ended 31-Dec-09 RM'000	2010 Year to date 31-Dec-10 RM'000	2009 Year to date 31-Dec-09 RM'000
Revenue	12,873	8,776	24,419	18,993
Operating Expenses	(11,337)	(7,894)	(21,728)	(16,961)
Other Operating Income	-	-	-	-
Profit from Operations	<u>1,536</u>	<u>882</u>	<u>2,691</u>	<u>2,032</u>
Finance costs, net	72	33	102	77
Profit before taxation	<u>1,608</u>	<u>915</u>	<u>2,793</u>	<u>2,109</u>
Taxation	(318)	(346)	(616)	(753)
Profit after taxation	<u>1,290</u>	<u>569</u>	<u>2,177</u>	<u>1,356</u>
Attributable to:				
Equity holders of the Company	1,131	412	1,900	998
Minority interests	159	157	277	358
Profit for the period	<u>1,290</u>	<u>569</u>	<u>2,177</u>	<u>1,356</u>
Earnings per share				
Basic / Diluted (sen)	0.70	0.26	1.17	0.62

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June 2010)

M3 TECHNOLOGIES (ASIA) BERHAD
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2010 & 30 June 2010

	(UNAUDITED)	(AUDITED)
	As at 31-Dec-10 RM'000	As at 30-Jun-10 RM'000
Non-current Assets		
Plant and equipment	3,480	3,591
Intangible assets	1,149	994
Deferred tax asset	113	109
Goodwill on consolidation	13,034	13,034
	<u>17,776</u>	<u>17,728</u>
Current Assets		
Trade receivables	11,979	11,092
Other receivables	1,805	2,542
Inventory	5,077	3,637
Cash and bank balances	19,985	17,698
	<u>38,846</u>	<u>34,969</u>
Current Liabilities		
Trade payables	4,059	3,511
Other payables	3,824	2,225
Tax payable	504	422
	<u>8,387</u>	<u>6,158</u>
Net Current Assets	30,459	28,811
	<u>48,235</u>	<u>46,539</u>
Shareholders' Funds		
Share capital	16,352	16,352
Treasury shares	(314)	(309)
Share premium	2,352	2,352
Retained profit	27,906	26,006
Foreign exchange reserve	(1,086)	(749)
	<u>45,210</u>	<u>43,652</u>
Minority interest	2,824	2,683
	<u>48,034</u>	<u>46,335</u>
Deferred tax liabilities	201	204
	<u>48,235</u>	<u>46,539</u>
Net assets per share (sen)	29.38	28.34
Net assets per share attributable to ordinary equity holders of the parent	27.65	26.70

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010)

M3 TECHNOLOGIES (ASIA) BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six (6) months ended 31 December 2010 & 31 December 2009

	<u>31-Dec-10</u> RM'000	<u>31-Dec-09</u> RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,793	2,109
Adjustment for:		
Amortisation and depreciation	1,105	1,503
Loss on sale of plant and equipment	-	-
Operating profit before working capital changes	<u>3,898</u>	<u>3,612</u>
Changes in working capital:		
(Increase)/Decrease in inventory	(1,440)	(1,884)
(Increase)/Decrease in receivables	(150)	(1,812)
Increase/(Decrease) in payables	2,147	1,225
Cash generated from operating activities	<u>4,455</u>	<u>1,141</u>
Taxes paid	(534)	(581)
Net cash generated from operating activities	<u>3,921</u>	<u>560</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(540)	(743)
Product development expenditure	(616)	(545)
Net cash used in investing activities	<u>(1,156)</u>	<u>(1,288)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to minority interest of a subsidiary	(136)	(326)
Contribution to share capital of subsidiaries by minority interest	-	98
Purchase of treasury shares	(5)	(236)
Net cash used in from financing activities	<u>(141)</u>	<u>(464)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,624	(1,192)
EFFECT OF EXCHANGE RATE CHANGES	(337)	404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>17,698</u>	<u>22,115</u>
CASH AND CASH EQUIVALENTS AT QUARTER END	<u>19,985</u>	<u>21,327</u>

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 2010)

M3 TECHNOLOGIES (ASIA) BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six (6) months ended 31 December 2010 & 31 December 2009

	< --- Attributable to Equity Holders of the Parent ---- >					Minority	Total	
	Share	Share	Treasury	Foreign	Retained	Interest		
	Capital	Premium	Shares	Exchange	Profit		Total	
	RM'000	RM'000	RM'000	Reserve	RM'000	RM'000	RM'000	
Six (6) months ended 31 December 2010								
Balance at 1 July 2010	16,352	2,352	(309)	(749)	26,006	43,652	2,683	46,335
Currency translation differences not recognised in income statement	-	-	-	(337)	-	(337)	-	(337)
Net profit for the six (6) months period ended 30 December 2010	-	-	-	-	1,900	1,900	277	2,177
Purchase of treasury shares	-	-	(5)	-	-	(5)	-	(5)
Dividend paid to minority of a subsidiary	-	-	-	-	-	-	(136)	(136)
Balance at 31 December 2010	16,352	2,352	(314)	(1,086)	27,906	45,210	2,824	48,034
Six (6) months ended 31 December 2009								
Balance at 1 July 2009	16,352	2,352	(65)	(97)	26,717	45,259	2,433	47,692
Currency translation differences not recognised in income statement	-	-	-	404	-	404	-	404
Net profit for the three (3) months period ended 30 September 2009	-	-	-	-	998	998	358	1,356
Purchase of treasury shares	-	-	(236)	-	-	(236)	-	(236)
Dividend paid to minority of a subsidiary	-	-	-	-	-	-	(326)	(326)
Contribution to share capital of subsidiaries by minority interest	-	-	-	-	-	-	98	98
Balance at 31 December 2009	16,352	2,352	(301)	307	27,715	46,425	2,563	48,988

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2010)