

**M3 TECHNOLOGIES (ASIA) BERHAD**  
(Incorporated in Malaysia - Company No. 482772-D)  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the three (3) months ended 30 September 2011  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

|   | INDIVIDUAL QUARTER                              |   | CUMULATIVE QUARTER                             |  |
|---|---|---|--|--|
|   | 2011<br>Quarter<br>Ended<br>30-Sep-11<br>RM'000 | 2010<br>Quarter<br>Ended<br>30-Sep-10<br>RM'000 | 2011<br>Year<br>to date<br>30-Sep-11<br>RM'000 | 2010<br>Year<br>to date<br>30-Sep-10<br>RM'000 |
| <b>Revenue</b>  | 13,496  | 11,545  | 13,496   | 11,545   |
| Operating Expenses                                    | (11,484)  | (10,392)  | (11,484)                                       | (10,392)                                       |
| <b>Profit from Operations</b>                         | 2,012   | 1,153   | 2,012  | 1,153  |
| Interest Income / (Expense)                           | 44  | 30  | 44   | 30   |
| Share of results of jointly controlled entity         | (2)   | -   | (2)  | -  |
| <b>Profit before taxation</b>                         | 2,054   | 1,183   | 2,054  | 1,183  |
| Income tax expense                                    | (674)   | (298)   | (674)  | (298)  |
| Net profit for the period                             | 1,380   | 885   | 1,380  | 885  |
| <b>Other comprehensive income, net of tax</b>         |   |   |  |  |
| Foreign currency translation differences              | 706   | (402)   | 706  | (402)  |
| Revaluation of land and buildings                     | -   | -   | -  | -  |
| Other comprehensive income for the period, net of tax | 706   | (402)   | 706  | (402)  |
| <b>Total comprehensive income for the period</b>      | 2,086   | 483   | 2,086  | 483  |
| <b>Attributable to:</b>                               |   |   |  |  |
| Equity holders of the Company                         | 1,148   | 768   | 1,148  | 768  |
| Minority interests                                    | 232   | 117   | 232  | 117  |
|   | 1,380   | 885   | 1,380  | 885  |
| <b>Total comprehensive income attributable to:</b>    |   |   |  |  |
| Equity holders of the Company                         | 1,753   | 483   | 1,753  | 483  |
| Minority interests                                    | 333   | -   | 333  | -  |
|   | 2,086   | 483   | 2,086  | 483  |
| <b>Earnings per share</b>                             |   |   |  |  |
| Basic / Diluted (sen)                                 | 0.71  | 0.47  | 0.71   | 0.47   |

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)

**M3 TECHNOLOGIES (ASIA) BERHAD**  
(Incorporated in Malaysia - Company No. 482772-D)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 September 2011 & 30 June 2011

|  | (UNAUDITED)<br>As at<br>30-Sep-11<br>RM'000 | (AUDITED)<br>As at<br>30-Jun-11<br>RM'000 |
|--|---|---|
| <b>ASSETS</b>  |   |   |
| <b>Non-current Assets</b>  |   |   |
| Property, plant and equipment  | 4,085                                       | 4,096                                     |
| Intangible assets  | 1,241                                       | 1,190                                     |
| Interest in jointly controlled entity  | 627   | 431                                       |
| Deferred tax asset   | 108   | 108                                       |
| Goodwill on consolidation  | 12,982                                      | 12,982                                    |
|  | <u>19,043</u>                               | <u>18,807</u>                             |
| <b>Current Assets</b>  |   |   |
| Inventory  | 8,297                                       | 6,951                                     |
| Trade and other receivables  | 18,111                                      | 15,055                                    |
| Cash and bank balances   | 17,338                                      | 20,169                                    |
|  | <u>43,746</u>                               | <u>42,175</u>                             |
| <b>TOTAL ASSETS</b>  | <u>62,789</u>                               | <u>60,982</u>                             |
| <b>EQUITY AND LIABILITIES</b>  |   |   |
| <b>Current Liabilities</b>   |   |   |
| Trade and other payables   | 9,214                                       | 9,350                                     |
| Dividend payable   | 810   | 810                                       |
| Hire purchase creditor   | 56  | 62  |
| Income Tax payable   | 1,287                                       | 616                                       |
|  | <u>11,367</u>                               | <u>10,838</u>                             |
| <b>Non Current Liabilities</b>   |   |   |
| Deferred tax liabilities   | <u>292</u>                                  | <u>290</u>                                |
| <b>TOTAL LIABILITIES</b>   | 11,659                                      | 11,128                                    |
| <b>Net Assets</b>  | 51,130                                      | 49,854                                    |
| <b>Equity attributable to owners of the parent</b>                               |   |   |
| Share capital  | 16,352                                      | 16,352                                    |
| Share premium  | 2,352                                       | 2,352                                     |
| Treasury shares  | (316)                                       | (316)                                     |
| Retained earnings  | 29,851                                      | 29,512                                    |
| Foreign exchange reserve   | (533)                                       | (1,137)                                   |
|  | <u>47,706</u>                               | <u>46,763</u>                             |
| <b>Minority interest</b>   | <u>3,424</u>                                | <u>3,091</u>                              |
| <b>Total equity</b>  | <u>51,130</u>                               | <u>49,854</u>                             |
| <b>Total equity and liabilities</b>  | <u>62,789</u>                               | <u>60,982</u>                             |
| Net assets per share attributable to ordinary equity holders of the parent (sen) | 29.47                                       | 28.88                                     |

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)

**M3 TECHNOLOGIES (ASIA) BERHAD**

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****For the three (3) months ended 30 September 2011 & 30 September 2010**

|   | < --- Attributable to Equity Holders of the Parent ---- > |               |                 |                     |                 | Minority Interest | Total  |        |
|---|---|---------------|-----------------|---------------------|-----------------|-------------------|--------|--------|
|   | Share Capital   | Share Premium | Treasury Shares | Translation Reserve | Retained Profit | Total             |        |        |
|   | RM'000  | RM'000        | RM'000          | RM'000              | RM'000          | RM'000            | RM'000 |        |
| <b>Three (3) months ended 30 September 2011</b> |   |               |                 |                     |                 |                   |        |        |
| Balance at 1 July 2011                          | 16,352  | 2,352         | (316)           | (1,137)             | 29,512          | 46,763            | 3,091  | 49,854 |
| Total comprehensive income for the period       | -   | -             | -               | 604                 | 1,149           | 1,753             | 333    | 2,086  |
| <b>Transactions with owners</b>                 |   |               |                 |                     |                 |                   |        |        |
| Dividend paid to shareholders of the Company    | -   | -             | -               | -                   | (810)           | (810)             | -      | (810)  |
| Balance at 30 September 2011                    | 16,352  | 2,352         | (316)           | (533)               | 29,851          | 47,706            | 3,424  | 51,130 |
| <b>Three (3) months ended 30 September 2010</b> |   |               |                 |                     |                 |                   |        |        |
| Balance at 1 July 2010                          | 16,352  | 2,352         | (309)           | (749)               | 26,006          | 43,652            | 2,683  | 46,335 |
| Total comprehensive income for the period       | -   | -             | -               | (285)               | 768             | 483               | -      | 483    |
| Balance at 30 September 2010                    | 16,352  | 2,352         | (309)           | (1,034)             | 26,774          | 44,135            | 2,683  | 46,818 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011 )

**M3 TECHNOLOGIES (ASIA) BERHAD**  
(Incorporated in Malaysia - Company No. 482772-D)  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
For the three (3) months ended 30 September 2011 & 30 September 2010

|  | <u>30-Sep-11</u><br>RM'000 | <u>30-Sep-10</u><br>RM'000 |
|--|----------------------------|----------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>         |                            |                            |
| Profit before taxation                             | 2,054                      | 1,183                      |
| Adjustment for :                                   |                            |                            |
| Amortisation of product development expenditure    | 302                        | 266                        |
| Depreciation of plant and equipment                | 285                        | 294                        |
| Hire purchase interest                             | 1                          | -                          |
| Interest income                                    | (44)                       | (30)                       |
| Gain on disposal of plant and equipment            | -                          | -                          |
| Plant and equipment written off                    | -                          | -                          |
| Share of results of jointly controlled entity      | 2                          | -                          |
| Net unrealised loss/(gain) on foreign exchange     | 115                        | -                          |
| Operating profit before working capital changes    | <u>2,715</u>               | <u>1,713</u>               |
| Changes in working capital :                       |                            |                            |
| (Increase)/Decrease in inventory                   | (1,346)                    | (1,057)                    |
| (Increase)/Decrease in receivables                 | (3,056)                    | (1,495)                    |
| Increase/(Decrease) in payables                    | (251)                      | 629                        |
| Cash used in operating activities                  | <u>(1,938)</u>             | <u>(210)</u>               |
| Tax paid   | (1)                        | (45)                       |
| Interest received                                  | 44                         | 30                         |
| <b>Net cash used in operating activities</b>       | <u>(1,895)</u>             | <u>(225)</u>               |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>         |                            |                            |
| Purchase of plant and equipment                    | (274)                      | (262)                      |
| Proceed from disposal of plant and equipment       | -                          | -                          |
| Product development expenditure                    | (353)                      | (298)                      |
| Repayment of hire purchase creditor                | (7)                        | -                          |
| Advance to jointly controlled entity               | (198)                      | -                          |
| <b>Net cash used in investing activities</b>       | <u>(832)</u>               | <u>(560)</u>               |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>         |                            |                            |
| Dividend paid to minority interest of a subsidiary | -                          | -                          |
| Dividend paid to shareholders of the company       | (810)                      | -                          |
| <b>Net cash used in from financing activities</b>  | <u>(810)</u>               | <u>-</u>                   |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>     | <u>(3,537)</u>             | <u>(785)</u>               |
| EFFECT OF EXCHANGE RATE CHANGES                    | 706                        | (402)                      |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR     | <u>20,169</u>              | <u>17,698</u>              |
| <b>CASH AND CASH EQUIVALENTS AT QUARTER END</b>    | <u>17,338</u>              | <u>16,511</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 30 June 2011)