

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three (3) months ended 30 September 2012

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30-Sep-12 Unaudited RM'000	30-Sep-11 Unaudited RM'000	30-Sep-12 Unaudited RM'000	30-Sep-11 Unaudited RM'000
Revenue	13,596	13,496	13,596	13,496
Operating Expenses	(12,599)	(11,484)	(12,599)	(11,484)
Profit from Operations	<u>997</u>	<u>2,012</u>	<u>997</u>	<u>2,012</u>
Net interest income	40	44	40	44
Share of results of jointly controlled entity	(13)	(2)	(13)	(2)
Profit before taxation	<u>1,024</u>	<u>2,054</u>	<u>1,024</u>	<u>2,054</u>
Income tax expense	(432)	(674)	(432)	(674)
Net profit for the period	<u><u>592</u></u>	<u><u>1,380</u></u>	<u><u>592</u></u>	<u><u>1,380</u></u>
Other comprehensive income, net of tax				
Foreign currency translation differences	(717)	706	(717)	706
Other comprehensive income for the period, net of tax	<u>(717)</u>	<u>706</u>	<u>(717)</u>	<u>706</u>
Total comprehensive income for the period	<u><u>(125)</u></u>	<u><u>2,086</u></u>	<u><u>(125)</u></u>	<u><u>2,086</u></u>
Attributable to:				
Equity holders of the Company	415	1,148	415	1,148
Non-controlling interests	<u>177</u>	<u>232</u>	<u>177</u>	<u>232</u>
	<u><u>592</u></u>	<u><u>1,380</u></u>	<u><u>592</u></u>	<u><u>1,380</u></u>
Total comprehensive income attributable to:				
Equity holders of the Company	(135)	1,753	(135)	1,753
Non-controlling interests	<u>10</u>	<u>333</u>	<u>10</u>	<u>333</u>
	<u><u>(125)</u></u>	<u><u>2,086</u></u>	<u><u>(125)</u></u>	<u><u>2,086</u></u>
Earnings per share				
Basic / Diluted (sen)	0.26	0.71	0.26	0.71

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three (3) months ended 30 September 2012

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Included in the profit before tax are the following items:				
Amortisation of product development expenditure	396	302	396	302
Bad debts written off	97	179	97	179
Depreciation of plant and equipment	258	285	258	285
(Gain)/loss on disposal of plant and equipment	8	-	8	-
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(11)	19	(11)	19
- Unrealised	5	(41)	5	(41)
<u>Interest expense/(income)</u>				
- Interest expense	3	-	3	-
- Interest income	(43)	(44)	(43)	(44)
Plant and equipment written off	21	-	21	-

There is no income/expenses in relation to the below items :

- investment income;
- gain or loss on disposal of quoted or unquoted investments or properties;
- impairment of assets;
- gain/loss on derivatives; and
- exceptional items (Otherwise disclosed).

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2012

	30-Sep-12 Unaudited RM'000	30-Jun-12 Unaudited RM'000 (Restated)	1-Jul-11 Unaudited RM'000 (Restated)
ASSETS			
Non-current Assets			
Property, plant and equipment	3,894	3,641	4,096
Intangible assets	2,416	2,275	1,190
Interest in jointly controlled entity	1,008	1,016	431
Goodwill on consolidation	12,993	13,029	12,982
	<u>20,311</u>	<u>19,961</u>	<u>18,807</u>
Current Assets			
Inventories	8,745	8,458	6,951
Trade and other receivables	17,942	16,471	15,055
Cash and bank balances	15,373	19,240	20,169
	<u>42,060</u>	<u>44,169</u>	<u>42,175</u>
TOTAL ASSETS	<u>62,371</u>	<u>64,130</u>	<u>60,982</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	16,352	16,352	16,352
Share premium	2,352	2,352	2,352
Treasury shares	(566)	(566)	(316)
Retained earnings	31,219	30,779	28,375
Foreign currency translation reserve	(443)	107	-
	<u>48,914</u>	<u>49,024</u>	<u>46,763</u>
Non-controlling interests	4,023	4,038	3,091
Total equity	<u>52,937</u>	<u>53,062</u>	<u>49,854</u>
Current Liabilities			
Trade and other payables	7,995	9,385	9,350
Dividend payable	-	-	810
Bank borrowings	95	793	27
Amount due to director	8	8	-
Income tax payable	781	572	616
	<u>8,879</u>	<u>10,758</u>	<u>10,803</u>
Non-current Liabilities			
Bank borrowings	400	152	35
Deferred tax liabilities	155	158	290
	<u>555</u>	<u>310</u>	<u>325</u>
Total liabilities	<u>9,434</u>	<u>11,068</u>	<u>11,128</u>
TOTAL EQUITY AND LIABILITIES	<u>62,371</u>	<u>64,130</u>	<u>60,982</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	30.39	30.28	28.88

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**For the three (3) months ended 30 September 2012**

< ----- Attributable to Equity Holders of the Parent ----- >

	Share Capital	Share Premium	Treasury Shares	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three (3) months ended 30 September 2012								
Balance at 1 July 2012 (Restated)	16,352	2,352	(566)	107	30,779	49,024	4,038	53,062
Total comprehensive income for the period	-	-	-	(550)	415	(135)	10	(125)
Transactions with owners								
Increase in share of net assets as a result of additional investment in a subsidiary	-	-	-	-	25	25	(25)	-
Balance at 30 September 2012	16,352	2,352	(566)	(443)	31,219	48,914	4,023	52,937
Three (3) months ended 30 September 2011								
Balance at 1 July 2011 (Restated)	16,352	2,352	(316)	-	28,375	46,763	3,091	49,854
Total comprehensive income for the period	-	-	-	604	1,149	1,753	333	2,086
Transactions with owners								
Dividend paid	-	-	-	-	(810)	(810)	-	(810)
Balance at 30 September 2011 (Restated)	16,352	2,352	(316)	604	28,714	47,706	3,424	51,130

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and the accompanying explanatory notes attached to these interim financial statements)

M3 TECHNOLOGIES (ASIA) BERHAD (482772-D)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three (3) months ended 30 September 2012

	3 months ended	
	30-Sep-12	30-Sep-11
	Unaudited	Unaudited
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,024	2,054
Adjustment for :		
Amortisation of product development expenditure	396	302
Bad debts written off	97	179
Depreciation of plant and equipment	258	285
(Gain)/loss on disposal of plant and equipment	(8)	-
(Gain)/loss on foreign exchange translation - Unrealised	(18)	115
Hire purchase interest	3	1
Interest income	(43)	44
Plant and equipment written off	21	-
Share of results of jointly controlled entity	13	2
Operating profit before working capital changes	<u>1,743</u>	<u>2,982</u>
Changes in working capital :		
(Increase)/Decrease in inventory	(287)	(1,346)
(Increase)/Decrease in receivables	(1,568)	(3,056)
Increase/(Decrease) in payables	(1,372)	(251)
Cash used in operating activities	<u>(1,484)</u>	<u>(1,671)</u>
Tax paid	(226)	(1)
Interest received	43	(44)
Net cash used in operating activities	<u>(1,667)</u>	<u>(1,716)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(232)	(274)
Proceed from disposal of plant and equipment	20	-
Product development expenditure	(537)	(353)
Advance to jointly controlled entity	(5)	(198)
Net cash used in investing activities	<u>(754)</u>	<u>(825)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to shareholders of the Company	-	(810)
Repayment of trade time loan	(745)	-
Repayment of hire purchase creditor	(20)	(7)
Net cash used in financing activities	<u>(765)</u>	<u>(817)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,186)	(3,358)
EFFECT OF EXCHANGE RATE CHANGES	(681)	706
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>19,240</u>	<u>20,169</u>
CASH AND CASH EQUIVALENTS AT QUARTER END	<u>15,373</u>	<u>17,517</u>

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

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and the accompanying explanatory notes attached to these interim financial statements)