

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six (6) months ended 31 December 2012

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	12,970	14,186	26,566	27,682
Operating Expenses	(12,839)	(12,076)	(25,438)	(23,560)
Profit from Operations	<u>131</u>	<u>2,110</u>	<u>1,128</u>	<u>4,122</u>
Net interest income	26	60	66	104
Share of results of jointly controlled entity	(3)	(8)	(16)	(10)
Profit before taxation	<u>154</u>	<u>2,162</u>	<u>1,178</u>	<u>4,216</u>
Income tax expense	(432)	(664)	(864)	(1,338)
Net profit for the period	<u>(278)</u>	<u>1,498</u>	<u>314</u>	<u>2,878</u>
Other comprehensive income, net of tax				
Foreign currency translation differences	(102)	(425)	(819)	281
Other comprehensive income for the period, net of tax	<u>(102)</u>	<u>(425)</u>	<u>(819)</u>	<u>281</u>
Total comprehensive income for the period	<u>(380)</u>	<u>1,073</u>	<u>(505)</u>	<u>3,159</u>
Attributable to:				
Equity holders of the Company	(364)	1,205	51	2,353
Non-controlling interests	86	293	263	525
	<u>(278)</u>	<u>1,498</u>	<u>314</u>	<u>2,878</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(401)	880	(536)	2,633
Non-controlling interests	21	193	31	526
	<u>(380)</u>	<u>1,073</u>	<u>(505)</u>	<u>3,159</u>
Earnings per share				
Basic / Diluted (sen)	(0.21)	0.75	0.03	1.46

(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)

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six (6) months ended 31 December 2012

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-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	410	314	806	616
Bad debts written off	197	199	294	378
Depreciation of plant and equipment	246	279	504	564
(Gain)/loss on disposal of plant and equipment	-	-	8	-
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(13)	58	(24)	77
- Unrealised	41	(137)	46	(178)
<u>Interest expense/(income)</u>				
- Interest expense	6	1	9	1
- Interest income	(32)	(61)	(75)	(105)
Plant and equipment written off	-	-	21	-
Provision for doubtful debts	-	-	-	7

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 31 December 2012

	31-Dec-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	4,011	3,641	4,096
Intangible assets	2,581	2,275	1,190
Interest in jointly controlled entity	882	1,016	431
Deferred tax asset	-	-	108
Goodwill on consolidation	13,011	13,029	12,982
	<u>20,485</u>	<u>19,961</u>	<u>18,807</u>
Current Assets			
Inventories	10,154	8,458	6,951
Trade and other receivables	16,069	16,471	15,055
Cash and bank balances	18,701	19,240	20,169
	<u>44,924</u>	<u>44,169</u>	<u>42,175</u>
TOTAL ASSETS	<u>65,409</u>	<u>64,130</u>	<u>60,982</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	17,961	16,352	16,352
Share premium	4,393	2,352	2,352
Treasury shares	(566)	(566)	(316)
Retained earnings	30,855	30,779	28,375
Foreign currency translation reserve	(480)	107	-
	<u>52,163</u>	<u>49,024</u>	<u>46,763</u>
Non-controlling interests	<u>3,791</u>	<u>4,038</u>	<u>3,091</u>
Total equity	<u>55,954</u>	<u>53,062</u>	<u>49,854</u>
Current Liabilities			
Trade and other payables	8,432	9,385	9,350
Dividend payable	-	-	810
Bank borrowings	454	793	27
Amount due to director	-	8	-
Income tax payable	4	572	616
	<u>8,890</u>	<u>10,758</u>	<u>10,803</u>
Non-current Liabilities			
Bank borrowings	411	152	35
Deferred tax liabilities	154	158	290
	<u>565</u>	<u>310</u>	<u>325</u>
Total liabilities	<u>9,455</u>	<u>11,068</u>	<u>11,128</u>
TOTAL EQUITY AND LIABILITIES	<u>65,409</u>	<u>64,130</u>	<u>60,982</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	29.46	30.46	28.60

(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 six (6) months ended 31 December 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
Six (6) months ended 31 December 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	-	-	-	(587)	51	(536)	31	(505)
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(253)	(253)
Increase in issued share capital	1,609	2,041	-	-	-	3,650	-	3,650
Increase in share of net assets as a result of additional investment in a subsidiary	-	-	-	-	25	25	(25)	-
Balance at 31 December 2012	17,961	4,393	(566)	(480)	30,855	52,163	3,791	55,954
Six (6) months ended 31 December 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	-	-	-	280	2,353	2,633	526	3,159
Transactions with owners								
Dividend paid	-	-	-	-	(1,619)	(1,619)	(7)	(1,626)
Purchase of treasury shares	-	-	(250)	-	-	(250)	-	(250)
Balance at 31 December 2011 (Restated)	16,352	2,352	(566)	280	29,109	47,527	3,610	51,137

(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 six (6) months ended 31 December 2012

	6 months ended	
	31-Dec-12	31-Dec-11
	Unaudited	Unaudited
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,178	4,216
Adjustment for :		
Amortisation of product development expenditure	806	616
Bad debts written off	294	378
Depreciation of plant and equipment	504	564
(Gain)/loss on disposal of plant and equipment	(8)	-
(Gain)/loss on foreign exchange translation - Unrealised	(46)	178
Hire purchase interest	9	1
Interest income	(75)	105
Plant and equipment written off	21	-
Provision for doubtful debts	-	7
Share of results of jointly controlled entity	16	10
Operating profit before working capital changes	<u>2,699</u>	<u>6,075</u>
Changes in working capital :		
(Increase)/Decrease in inventory	(1,696)	88
(Increase)/Decrease in receivables	108	(2,584)
Increase/(Decrease) in payables	(915)	(1,353)
Cash generated from operating activities	<u>196</u>	<u>2,226</u>
Tax paid	(1,436)	(626)
Interest received	75	(105)
Net cash (used in)/generated from operating activities	<u>(1,165)</u>	<u>1,495</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(595)	(575)
Proceed from disposal of plant and equipment	20	-
Product development expenditure	(1,112)	(733)
Advance to jointly controlled entity	-	(415)
Repayment of advance to jointly controlled entity	118	-
Net cash used in investing activities	<u>(1,569)</u>	<u>(1,723)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to shareholders of the Company	-	(2,429)
Dividend paid by subsidiaries to non-controlling interests	(253)	(7)
Proceed from issued share capital	3,650	-
Purchase of treasury shares	-	(250)
Repayment of trade time loan	(350)	-
Repayment of hire purchase creditor	(51)	(13)
Net cash generated from/(used in) financing activities	<u>2,996</u>	<u>(2,699)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	262	(2,927)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(801)	281
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>19,240</u>	<u>20,169</u>
CASH AND CASH EQUIVALENTS AT QUARTER END	<u>18,701</u>	<u>17,523</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)