

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Twelve (12) months ended 30 June 2013**

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 12 months ended</b>	
	<b>30-Jun-13 Unaudited RM'000</b>	<b>30-Jun-12 Unaudited RM'000 (Restated)</b>	<b>30-Jun-13 Unaudited RM'000</b>	<b>30-Jun-12 Unaudited RM'000 (Restated)</b>
<b>Revenue</b>	10,924	13,960	50,241	56,308
Operating Expenses	(11,488)	(12,626)	(49,291)	(49,032)
<b>Profit/(loss) from Operations</b>	<u>(564)</u>	<u>1,334</u>	<u>950</u>	<u>7,276</u>
Net interest income	8	87	98	257
Share of results of jointly controlled entity	(17)	(134)	(35)	(155)
Impairment of goodwill	(7,259)	-	(7,259)	-
<b>Profit/(loss) before taxation</b>	<u>(7,832)</u>	<u>1,287</u>	<u>(6,246)</u>	<u>7,378</u>
Income tax expense	45	(489)	(1,206)	(2,280)
<b>Net profit/(loss) for the period</b>	<u><u>(7,787)</u></u>	<u><u>798</u></u>	<u><u>(7,452)</u></u>	<u><u>5,098</u></u>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences	(207)	312	(221)	(5)
Other comprehensive income/(loss) for the period, net of tax	<u>(207)</u>	<u>312</u>	<u>(221)</u>	<u>(5)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>(7,994)</u></u>	<u><u>1,110</u></u>	<u><u>(7,673)</u></u>	<u><u>5,093</u></u>
<b>Attributable to:</b>				
Equity holders of the Company	(8,043)	525	(8,058)	3,865
Non-controlling interests	<u>256</u>	<u>273</u>	<u>606</u>	<u>1,233</u>
	<u><u>(7,787)</u></u>	<u><u>798</u></u>	<u><u>(7,452)</u></u>	<u><u>5,098</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	(8,303)	816	(8,124)	3,974
Non-controlling interests	<u>309</u>	<u>294</u>	<u>451</u>	<u>1,119</u>
	<u><u>(7,994)</u></u>	<u><u>1,110</u></u>	<u><u>(7,673)</u></u>	<u><u>5,093</u></u>
<b>Earnings per share</b>				
Basic / Diluted (sen)	(4.54)	0.33	(4.69)	2.39

(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 Twelve (12) months ended 30 June 2013**

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Included in the profit/(loss) before tax are the following items:				
Amortisation of product development expenditure	448	442	1,684	1,339
Bad debts recovered	(35)	-	(331)	(180)
Bad debts written off	-	(11)	3	505
Depreciation of plant and equipment	267	153	1,032	1,064
(Gain)/loss on disposal of plant and equipment	-	(2)	8	(2)
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	172	(28)	164	85
- Unrealised	(41)	151	114	(70)
Impairment of goodwill	7,259	-	7,259	-
<u>Interest expense/(income)</u>				
- Interest expense	15	3	33	7
- Interest income	(23)	(90)	(131)	(264)
Inventories written off	14	-	14	-
Plant and equipment written off	-	-	22	-
Provision for doubtful debts	(63)	-	534	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 30 June 2013

	<b>30-Jun-13</b> <b>Unaudited</b> <b>RM'000</b>	<b>30-Jun-12</b> <b>Unaudited</b> <b>RM'000</b> (Restated)	<b>1-Jul-11</b> <b>Unaudited</b> <b>RM'000</b> (Restated)	<b>30-Jun-11</b> <b>Unaudited</b> <b>RM'000</b> (Restated)
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	4,814	3,641	4,096	4,096
Intangible assets	2,982	2,275	1,190	1,190
Interest in jointly controlled entity	738	892	431	431
Deferred tax asset	-	-	108	108
Other receivables	50	-	-	-
Goodwill on consolidation	5,844	13,029	12,982	12,982
	<u>14,428</u>	<u>19,837</u>	<u>18,807</u>	<u>18,807</u>
<b>Current Assets</b>				
Inventories	10,725	8,458	6,951	6,951
Trade and other receivables	16,896	16,471	15,055	15,055
Income tax refundable	598	-	-	-
Cash and bank balances	18,006	19,240	20,169	20,169
	<u>46,225</u>	<u>44,169</u>	<u>42,175</u>	<u>42,175</u>
<b>TOTAL ASSETS</b>	<u>60,653</u>	<u>64,006</u>	<u>60,982</u>	<u>60,982</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	17,961	16,352	16,352	16,352
Share premium	4,393	2,352	2,352	2,352
Treasury shares	(566)	(566)	(316)	(316)
Retained earnings	22,501	30,534	28,288	29,423
Foreign currency translation reserve	43	109	-	(1,135)
	<u>44,332</u>	<u>48,781</u>	<u>46,676</u>	<u>46,676</u>
<b>Non-controlling interests</b>	<u>4,130</u>	<u>3,959</u>	<u>3,032</u>	<u>3,032</u>
<b>Total equity</b>	<u>48,462</u>	<u>52,740</u>	<u>49,708</u>	<u>49,708</u>
<b>Current Liabilities</b>				
Trade and other payables	8,226	9,583	9,496	9,496
Dividend payable	-	-	810	810
Loans and borrowings	2,813	793	27	27
Amount due to director	-	8	-	-
Income tax payable	-	572	616	616
	<u>11,039</u>	<u>10,956</u>	<u>10,949</u>	<u>10,949</u>
<b>Non-current Liabilities</b>				
Loans and borrowings	997	152	35	35
Deferred tax liabilities	155	158	290	290
	<u>1,152</u>	<u>310</u>	<u>325</u>	<u>325</u>
<b>Total liabilities</b>	<u>12,191</u>	<u>11,266</u>	<u>11,274</u>	<u>11,274</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>60,653</u>	<u>64,006</u>	<u>60,982</u>	<u>60,982</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	25.04	30.31	28.83	28.83

(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 Twelve (12) months ended 30 June 2013**

< ----- 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
<b>Twelve (12) months ended 30 June 2013</b>								
Balance at 1 July 2012 (Restated)	16,352	2,352	(566)	109	30,534	48,781	3,959	52,740
Total comprehensive income/(loss) for the period	-	-	-	(66)	(8,058)	(8,124)	451	(7,673)
<b>Transactions with owners</b>								
Dividend paid	-	-	-	-	-	-	(255)	(255)
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 30 June 2013	17,961	4,393	(566)	43	22,501	44,332	4,130	48,462
<b>Twelve (12) months ended 30 June 2012</b>								
Balance at 1 July 2011 (Restated)	16,352	2,352	(316)	-	28,288	46,676	3,032	49,708
Total comprehensive income/(loss) for the period (Restated)	-	-	-	109	3,865	3,974	1,119	5,093
<b>Transactions with owners</b>								
Dividend paid	-	-	-	-	(1,619)	(1,619)	(192)	(1,811)
Purchase of treasury shares	-	-	(250)	-	-	(250)	-	(250)
Balance at 30 June 2012 (Restated)	16,352	2,352	(566)	109	30,534	48,781	3,959	52,740

(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)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Twelve (12) months ended 30 June 2013**

	<b>12 months ended</b>	
	<b>30-Jun-13</b>	<b>30-Jun-12</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
		(Restated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(6,246)	7,378
Adjustment for :		
Amortisation of product development expenditure	1,684	1,339
Bad debts recovered	(331)	(180)
Bad debts written off	3	505
Depreciation of plant and equipment	1,032	1,064
(Gain)/loss on disposal of plant and equipment	8	(2)
(Gain)/loss on foreign exchange translation - Unrealised	(114)	70
Impairment of goodwill	7,259	-
Interest expense	33	7
Interest income	(131)	(264)
Inventories written off	14	-
Plant and equipment written off	22	-
Provision for doubtful debts	534	7
Share of results of jointly controlled entity	35	155
Operating profit before working capital changes	<u>3,802</u>	<u>10,079</u>
Changes in working capital :		
(Increase)/Decrease in inventory	(2,281)	(1,507)
(Increase)/Decrease in receivables	(681)	(1,748)
Increase/(Decrease) in payables	642	770
Cash generated from operating activities	<u>1,482</u>	<u>7,594</u>
Tax paid	(2,379)	(2,348)
Interest received	131	264
<b>Net cash (used in)/generated from operating activities</b>	<u>(766)</u>	<u>5,510</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(1,158)	(402)
Proceed from disposal of plant and equipment	20	3
Product development expenditure	(2,391)	(2,424)
Advance to jointly controlled entity	-	(616)
Repayment of advance to jointly controlled entity	119	-
<b>Net cash used in investing activities</b>	<u>(3,410)</u>	<u>(3,439)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders of the Company	-	(2,429)
Dividend paid by subsidiaries to non-controlling interests	(255)	(192)
Interest expense	(33)	(7)
Proceed from issued share capital	3,650	-
Purchase of treasury shares	-	(250)
Repayment of loans and borrowings	(125)	(70)
<b>Net cash generated from/(used in) financing activities</b>	<u>3,237</u>	<u>(2,948)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(939)	(877)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	(295)	(52)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>19,240</u>	<u>20,169</u>
<b>CASH AND CASH EQUIVALENTS AT QUARTER END</b>	<u>18,006</u>	<u>19,240</u>

The cash and cash equivalents at beginning of year and quarter end represents cash on hand, cash and fixed deposits 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)