

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Three (3) months ended 30 September 2013

| | Current quarter 3 months ended | | Cumulative quarter 3 months ended | |
|--|-----------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| | 30-Sep-13 Unaudited RM'000 | 30-Sep-12 Unaudited RM'000 | 30-Sep-13 Unaudited RM'000 | 30-Sep-12 Unaudited RM'000 |
| Revenue | 10,977 | 13,596 | 10,977 | 13,596 |
| Operating Expenses | (12,370) | (12,599) | (12,370) | (12,599) |
| Profit/(loss) from Operations | <u>(1,393)</u> | <u>997</u> | <u>(1,393)</u> | <u>997</u> |
| Net interest income | 11 | 40 | 11 | 40 |
| Share of results of jointly controlled entity | (3) | (13) | (3) | (13) |
| Profit/(loss) before taxation | <u>(1,385)</u> | <u>1,024</u> | <u>(1,385)</u> | <u>1,024</u> |
| Income tax expense | (174) | (432) | (174) | (432) |
| Net profit/(loss) for the period | <u><u>(1,559)</u></u> | <u><u>592</u></u> | <u><u>(1,559)</u></u> | <u><u>592</u></u> |
| Other comprehensive income/(loss), net of tax | | | | |
| Foreign currency translation differences | (121) | (717) | (121) | (717) |
| Other comprehensive income/(loss) for the period, net of tax | <u>(121)</u> | <u>(717)</u> | <u>(121)</u> | <u>(717)</u> |
| Total comprehensive income/(loss) for the period | <u><u>(1,680)</u></u> | <u><u>(125)</u></u> | <u><u>(1,680)</u></u> | <u><u>(125)</u></u> |
| Attributable to: | | | | |
| Equity holders of the Company | (1,599) | 415 | (1,599) | 415 |
| Non-controlling interests | 40 | 177 | 40 | 177 |
| | <u>(1,559)</u> | <u>592</u> | <u>(1,559)</u> | <u>592</u> |
| Total comprehensive income/(loss) attributable to: | | | | |
| Equity holders of the Company | (1,584) | (135) | (1,584) | (135) |
| Non-controlling interests | <u>(96)</u> | <u>10</u> | <u>(96)</u> | <u>10</u> |
| | <u><u>(1,680)</u></u> | <u><u>(125)</u></u> | <u><u>(1,680)</u></u> | <u><u>(125)</u></u> |
| Earnings per share | | | | |
| Basic / Diluted (sen) | (0.90) | 0.26 | (0.90) | 0.26 |

(The Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2013 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 PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the Three (3) months ended 30 September 2013

| | Current quarter | | Cumulative quarter | |
|---|------------------------|------------------|---------------------------|------------------|
| | 3 months ended | | 3 months ended | |
| | 30-Sep-13 | 30-Sep-12 | 30-Sep-13 | 30-Sep-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 | 464 | 396 | 464 | 396 |
| Bad debts recovered | (23) | - | (23) | - |
| Bad debts written off | - | 97 | - | 97 |
| Depreciation of plant and equipment | 278 | 258 | 278 | 258 |
| (Gain)/loss on disposal of plant and equipment | 40 | 8 | 40 | 8 |
| <u>(Gain)/loss on foreign exchange translation</u> | | | | |
| - Realised | (43) | (11) | (43) | (11) |
| - Unrealised | 85 | 5 | 85 | 5 |
| <u>Interest expense/(income)</u> | | | | |
| - Interest expense | 13 | 3 | 13 | 3 |
| - Interest income | (24) | (43) | (24) | (43) |
| Plant and equipment written off | 20 | 21 | 20 | 21 |
| Provision for doubtful debts | 180 | - | 180 | - |

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 Profit and Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 30 June 2013 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 2013

| | 30-Sep-13 Unaudited RM'000 | 30-Jun-13 Audited RM'000 |
|--|---|---|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 4,933 | 4,818 |
| Intangible assets | 3,550 | 2,978 |
| Interest in jointly controlled entity | 728 | 738 |
| Goodwill on consolidation | 5,949 | 5,844 |
| | <u>15,160</u> | <u>14,378</u> |
| Current Assets | | |
| Inventories | 11,155 | 10,725 |
| Trade and other receivables | 18,609 | 16,951 |
| Income tax refundable | 1,481 | 638 |
| Cash and bank balances | 16,509 | 18,006 |
| | <u>47,754</u> | <u>46,320</u> |
| TOTAL ASSETS | <u>62,914</u> | <u>60,698</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 17,961 | 17,961 |
| Share premium | 4,393 | 4,393 |
| Treasury shares | (566) | (566) |
| Retained earnings | 20,897 | 22,496 |
| Foreign currency translation reserve | 63 | 48 |
| | <u>42,748</u> | <u>44,332</u> |
| Non-controlling interests | 4,034 | 4,130 |
| Total equity | <u>46,782</u> | <u>48,462</u> |
| Current Liabilities | | |
| Trade and other payables | 12,148 | 8,226 |
| Loans and borrowings | 1,809 | 2,817 |
| Income tax payable | 1,116 | 40 |
| | <u>15,073</u> | <u>11,083</u> |
| Non-current Liabilities | | |
| Loans and borrowings | 912 | 998 |
| Deferred tax liabilities | 147 | 155 |
| | <u>1,059</u> | <u>1,153</u> |
| Total liabilities | <u>16,132</u> | <u>12,236</u> |
| TOTAL EQUITY AND LIABILITIES | <u>62,914</u> | <u>60,698</u> |
| Net assets per share attributable to ordinary equity holders of the parent (sen) | 24.14 | 25.04 |

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2013 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 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 |
| Three (3) months ended 30 September 2013 | | | | | | | | |
| Balance at 1 July 2013 | 17,961 | 4,393 | (566) | 48 | 22,496 | 44,332 | 4,130 | 48,462 |
| Total comprehensive income/(loss) for the period | - | - | - | 15 | (1,599) | (1,584) | (96) | (1,680) |
| Balance at 30 September 2013 | 17,961 | 4,393 | (566) | 63 | 20,897 | 42,748 | 4,034 | 46,782 |
| Three (3) months ended 30 September 2012 | | | | | | | | |
| Balance at 1 July 2012 (Restated) | 16,352 | 2,352 | (566) | 109 | 30,534 | 48,781 | 3,959 | 52,740 |
| 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) | (441) | 30,974 | 48,671 | 3,944 | 52,615 |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2013 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 2013

| | 3 months ended | |
|---|-----------------------|------------------|
| | 30-Sep-13 | 30-Sep-12 |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | (1,385) | 1,024 |
| Adjustment for : | | |
| Amortisation of product development expenditure | 464 | 396 |
| Bad debts recovered | (23) | - |
| Bad debts written off | - | 97 |
| Depreciation of plant and equipment | 278 | 258 |
| (Gain)/loss on disposal of plant and equipment | 40 | 8 |
| (Gain)/loss on foreign exchange translation - Unrealised | (85) | (18) |
| Interest expense | 13 | 3 |
| Interest income | (24) | (43) |
| Plant and equipment written off | 20 | 21 |
| Provision for doubtful debts | 180 | - |
| Share of results of jointly controlled entity | 3 | 13 |
| Operating profit/(loss) before working capital changes | <u>(519)</u> | <u>1,759</u> |
| Changes in working capital : | | |
| (Increase)/Decrease in inventory | (430) | (287) |
| (Increase)/Decrease in receivables | (1,815) | (1,568) |
| Increase/(Decrease) in payables | 4,007 | (1,372) |
| Cash generated from/(used in) operating activities | <u>1,243</u> | <u>(1,468)</u> |
| Tax paid | 51 | (226) |
| Interest received | 24 | 43 |
| Net cash (used in)/generated from operating activities | <u>1,318</u> | <u>(1,651)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (453) | (232) |
| Proceed from disposal of plant and equipment | - | 4 |
| Product development expenditure | (1,036) | (537) |
| Advance to jointly controlled entity | - | (5) |
| Net cash used in investing activities | <u>(1,489)</u> | <u>(770)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest expense | (13) | (3) |
| Repayment of loans and borrowings | (1,094) | (762) |
| Net cash used in financing activities | <u>(1,107)</u> | <u>(765)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (1,278) | (3,186) |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | (219) | (681) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | <u>18,006</u> | <u>19,240</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>16,509</u> | <u>15,373</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 2013 and the accompanying explanatory notes attached to these interim financial statements)