

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Six (6) months ended 31 December 2013

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31-Dec-13 Unaudited RM'000	31-Dec-12 Unaudited RM'000	31-Dec-13 Unaudited RM'000	31-Dec-12 Unaudited RM'000
Revenue	10,701	12,970	21,678	26,566
Operating Expenses	(12,596)	(12,839)	(24,966)	(25,438)
Profit/(loss) from Operations	<u>(1,895)</u>	<u>131</u>	<u>(3,288)</u>	<u>1,128</u>
Net interest income	18	26	29	66
Share of results of jointly controlled entity	4	(3)	1	(16)
Profit/(loss) before taxation	<u>(1,873)</u>	<u>154</u>	<u>(3,258)</u>	<u>1,178</u>
Income tax expense	(135)	(432)	(309)	(864)
Net profit/(loss) for the period	<u><u>(2,008)</u></u>	<u><u>(278)</u></u>	<u><u>(3,567)</u></u>	<u><u>314</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	(473)	(102)	(594)	(819)
Other comprehensive income/(loss) for the period, net of tax	<u>(473)</u>	<u>(102)</u>	<u>(594)</u>	<u>(819)</u>
Total comprehensive income/(loss) for the period	<u><u>(2,481)</u></u>	<u><u>(380)</u></u>	<u><u>(4,161)</u></u>	<u><u>(505)</u></u>
Attributable to:				
Equity holders of the Company	(1,991)	(364)	(3,590)	51
Non-controlling interests	(17)	86	23	263
	<u><u>(2,008)</u></u>	<u><u>(278)</u></u>	<u><u>(3,567)</u></u>	<u><u>314</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(2,469)	(401)	(4,053)	(536)
Non-controlling interests	(12)	21	(108)	31
	<u><u>(2,481)</u></u>	<u><u>(380)</u></u>	<u><u>(4,161)</u></u>	<u><u>(505)</u></u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(1.12)	(0.21)	(2.03)	0.03

(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)
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NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the Six (6) months ended 31 December 2013

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-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	472	410	936	806
Bad debts recovered	(16)	(208)	(39)	(208)
Bad debts written off	-	197	-	294
Depreciation of plant and equipment	282	246	560	504
(Gain)/loss on disposal of plant and equipment	(41)	-	(1)	8
<u>(Gain)/loss on foreign exchange translation</u>	-	-	-	-
- Realised	97	(13)	54	(24)
- Unrealised	88	41	173	46
<u>Interest expense/(income)</u>	-	-	-	-
- Interest expense	13	6	26	9
- Interest income	(31)	(32)	(55)	(75)
Plant and equipment written off	-	-	20	21
Provision for doubtful debts	110	-	290	-

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 31 December 2013

	31-Dec-13 Unaudited RM'000	30-Jun-13 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,703	4,818
Intangible assets	3,604	2,978
Interest in jointly controlled entity	732	738
Goodwill on consolidation	5,739	5,844
	<u>14,778</u>	<u>14,378</u>
Current Assets		
Inventories	11,315	10,725
Trade and other receivables	18,771	16,951
Income tax refundable	833	638
Cash and bank balances	13,870	18,006
	<u>44,789</u>	<u>46,320</u>
TOTAL ASSETS	<u>59,567</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	18,906	22,496
Foreign currency translation reserve	(415)	48
	<u>40,279</u>	<u>44,332</u>
Non-controlling interests	<u>3,735</u>	<u>4,130</u>
Total equity	<u>44,014</u>	<u>48,462</u>
Current Liabilities		
Trade and other payables	11,970	8,226
Loans and borrowings	2,523	2,817
Income tax payable	39	40
	<u>14,532</u>	<u>11,083</u>
Non-current Liabilities		
Loans and borrowings	876	998
Deferred tax liabilities	145	155
	<u>1,021</u>	<u>1,153</u>
Total liabilities	<u>15,553</u>	<u>12,236</u>
TOTAL EQUITY AND LIABILITIES	<u>59,567</u>	<u>60,698</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	22.75	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 Six (6) months ended 31 December 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
Six (6) months ended 31 December 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	-	-	-	(463)	(3,590)	(4,053)	(108)	(4,161)
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(287)	(287)
Balance at 31 December 2013	17,961	4,393	(566)	(415)	18,906	40,279	3,735	44,014
Six (6) months ended 31 December 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	-	-	-	(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)	(478)	30,610	51,920	3,712	55,632

(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 Six (6) months ended 31 December 2013

	6 months ended	
	31-Dec-13	31-Dec-12
	Unaudited	Unaudited
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(3,258)	1,178
Adjustment for :		
Amortisation of product development expenditure	936	806
Bad debts recovered	(39)	(208)
Bad debts written off	-	294
Depreciation of plant and equipment	560	504
(Gain)/loss on disposal of plant and equipment	(1)	8
(Gain)/loss on foreign exchange translation - Unrealised	173	46
Interest expense	26	9
Interest income	(55)	(75)
Plant and equipment written off	20	21
Provision for doubtful debts	290	-
Share of results of jointly controlled entity	(1)	16
Operating profit/(loss) before working capital changes	<u>(1,349)</u>	<u>2,599</u>
Changes in working capital :		
(Increase)/Decrease in inventory	(590)	(1,696)
(Increase)/Decrease in receivables	(2,071)	316
Increase/(Decrease) in payables	3,571	(1,007)
Cash generated from/(used in) operating activities	<u>(439)</u>	<u>212</u>
Tax paid	(515)	(1,436)
Interest received	55	75
Net cash (used in)/generated from operating activities	<u>(899)</u>	<u>(1,149)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(464)	(611)
Proceed from disposal of plant and equipment	-	20
Product development expenditure	(1,562)	(1,112)
Repayment of advance to jointly controlled entity	-	118
Net cash used in investing activities	<u>(2,026)</u>	<u>(1,585)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid by subsidiaries to non-controlling interests	(287)	(253)
Proceed from issued share capital	-	3,650
Interest expense	(26)	(9)
Repayment of loans and borrowings	(416)	(392)
Net cash used in financing activities	<u>(729)</u>	<u>2,996</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,654)	262
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(482)	(801)
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>13,870</u>	<u>18,701</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)