

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

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the Nine (9) months ended 31 March 2014**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31-Mar-14 Unaudited RM'000	31-Mar-13 Unaudited RM'000	31-Mar-14 Unaudited RM'000	31-Mar-13 Unaudited RM'000
<b>Revenue</b>	9,027	12,751	30,705	39,317
Operating Expenses	(10,774)	(12,365)	(35,740)	(37,803)
<b>Profit/(loss) from Operations</b>	<u>(1,747)</u>	<u>386</u>	<u>(5,035)</u>	<u>1,514</u>
Net interest income	1	24	30	90
Share of results of jointly controlled entity	(9)	(2)	(8)	(18)
<b>Profit/(loss) before taxation</b>	<u>(1,755)</u>	<u>408</u>	<u>(5,013)</u>	<u>1,586</u>
Income tax expense	(122)	(387)	(431)	(1,251)
<b>Net profit/(loss) for the period</b>	<u><u>(1,877)</u></u>	<u><u>21</u></u>	<u><u>(5,444)</u></u>	<u><u>335</u></u>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences	591	805	(3)	(14)
Other comprehensive income/(loss) for the period, net of tax	<u>591</u>	<u>805</u>	<u>(3)</u>	<u>(14)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>(1,286)</u></u>	<u><u>826</u></u>	<u><u>(5,447)</u></u>	<u><u>321</u></u>
<b>Attributable to:</b>				
Equity holders of the Company	(1,957)	(66)	(5,547)	(15)
Non-controlling interests	80	87	103	350
	<u>(1,877)</u>	<u>21</u>	<u>(5,444)</u>	<u>335</u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	(1,575)	715	(5,628)	179
Non-controlling interests	289	111	181	142
	<u>(1,286)</u>	<u>826</u>	<u>(5,447)</u>	<u>321</u>
<b>Earnings/(loss) per share</b>				
Basic / Diluted (sen)	(1.11)	(0.04)	(3.13)	(0.01)

(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 Nine (9) months ended 31 March 2014**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>31-Mar-14</b>	<b>31-Mar-13</b>	<b>31-Mar-14</b>	<b>31-Mar-13</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Included in the profit/(loss) before tax are the following items:				
Amortisation of product development expenditure	500	430	1,436	1,236
Bad debts recovered	(29)	(88)	(68)	(296)
Bad debts written off	-	287	-	581
Depreciation of plant and equipment	299	261	859	765
(Gain)/loss on disposal of plant and equipment	(56)	-	(57)	8
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	232	16	286	(8)
- Unrealised	(259)	109	(86)	155
<u>Interest expense/(income)</u>				
- Interest expense	12	9	38	18
- Interest income	(13)	(33)	(68)	(108)
Plant and equipment written off	-	1	20	22
Provision for doubtful debts	213	19	503	19

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 March 2014**

	<b>31-Mar-14</b> <b>Unaudited</b> <b>RM'000</b>	<b>30-Jun-13</b> <b>Audited</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	4,491	4,818
Intangible assets	3,795	2,978
Interest in jointly controlled entity	723	738
Goodwill on consolidation	5,789	5,844
	<u>14,798</u>	<u>14,378</u>
<b>Current Assets</b>		
Inventories	9,666	10,725
Trade and other receivables	17,081	16,951
Income tax refundable	559	638
Cash and bank balances	9,800	18,006
	<u>37,106</u>	<u>46,320</u>
<b>TOTAL ASSETS</b>	<u>51,904</u>	<u>60,698</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	17,961	17,961
Share premium	4,393	4,393
Treasury shares	(566)	(566)
Retained earnings	16,949	22,496
Foreign currency translation reserve	(33)	48
	<u>38,704</u>	<u>44,332</u>
<b>Non-controlling interests</b>	<u>3,387</u>	<u>4,130</u>
<b>Total equity</b>	<u>42,091</u>	<u>48,462</u>
<b>Current Liabilities</b>		
Trade and other payables	8,756	8,226
Loans and borrowings	187	2,817
Income tax payable	11	40
	<u>8,954</u>	<u>11,083</u>
<b>Non-current Liabilities</b>		
Loans and borrowings	711	998
Deferred tax liabilities	148	155
	<u>859</u>	<u>1,153</u>
<b>Total liabilities</b>	<u>9,813</u>	<u>12,236</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>51,904</u>	<u>60,698</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	21.86	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 Nine (9) months ended 31 March 2014**

&lt; ----- Attributable to Equity Holders of the Parent ----- &gt;

	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>Nine (9) months ended 31 March 2014</b>								
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	-	-	-	(81)	(5,547)	(5,628)	181	(5,447)
<b>Transactions with owners</b>								
Dividend paid	-	-	-	-	-	-	(924)	(924)
Balance at 31 March 2014	17,961	4,393	(566)	(33)	16,949	38,704	3,387	42,091
<b>Nine (9) months ended 31 March 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 for the period	-	-	-	194	(15)	179	142	321
<b>Transactions with owners</b>								
Dividend paid	-	-	-	-	-	-	(251)	(251)
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 March 2013	17,961	4,393	(566)	303	30,544	52,635	3,825	56,460

(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)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Nine (9) months ended 31 March 2014**

	<b>9 months ended</b>	
	<b>31-Mar-14</b>	<b>31-Mar-13</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(5,013)	1,586
Adjustment for :		
Amortisation of product development expenditure	1,436	1,236
Bad debts recovered	(68)	(296)
Bad debts written off	-	581
Depreciation of plant and equipment	859	765
(Gain)/loss on disposal of plant and equipment	(57)	8
(Gain)/loss on foreign exchange translation - Unrealised	(86)	155
Interest expense	38	18
Interest income	(68)	(108)
Plant and equipment written off	20	22
Provision for doubtful debts	503	19
Share of results of jointly controlled entity	8	18
Operating profit/(loss) before working capital changes	<u>(2,428)</u>	<u>4,004</u>
Changes in working capital :		
(Increase)/Decrease in inventory	1,059	(1,392)
(Increase)/Decrease in receivables	(565)	(2,586)
Increase/(Decrease) in payables	616	1,384
Cash (used in)/generated from operating activities	<u>(1,318)</u>	<u>1,410</u>
Tax paid	(388)	(2,211)
Interest received	68	108
<b>Net cash (used in)/generated from operating activities</b>	<u>(1,638)</u>	<u>(693)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(662)	(946)
Proceed from disposal of plant and equipment	167	20
Product development expenditure	(2,253)	(1,740)
Repayment of advance to jointly controlled entity	-	118
<b>Net cash (used in)/generated from investing activities</b>	<u>(2,748)</u>	<u>(2,548)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid by subsidiaries to non-controlling interests	(924)	(251)
Interest expense	(38)	(18)
Proceed from issued share capital	-	3,650
Repayment of loans and borrowings	(2,917)	(73)
<b>Net cash (used in)/generated from financing activities</b>	<u>(3,879)</u>	<u>3,308</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(8,265)</b>	<b>(259)</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>59</b>	<b>(262)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>18,006</b>	<b>19,240</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>9,800</u></b>	<b><u>18,719</u></b>

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)