

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the Twelve (12) months ended 30 June 2014

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	30-Jun-14 Unaudited RM'000	30-Jun-13 Unaudited RM'000	30-Jun-14 Unaudited RM'000	30-Jun-13 Audited RM'000
Revenue	8,394	10,959	39,099	50,276
Operating Expenses	(12,273)	(11,527)	(48,013)	(49,330)
Profit/(loss) from Operations	<u>(3,879)</u>	<u>(568)</u>	<u>(8,914)</u>	<u>946</u>
Net interest income	(1)	8	29	98
Share of results in a jointly controlled entity	(7)	(17)	(15)	(35)
Share of results in an associate	(27)	-	(27)	-
Impairment loss on goodwill	(5,711)	(7,259)	(5,711)	(7,259)
Profit/(loss) before taxation	<u>(9,625)</u>	<u>(7,836)</u>	<u>(14,638)</u>	<u>(6,250)</u>
Income tax expense	(204)	45	(635)	(1,206)
Net profit/(loss) for the period	<u><u>(9,829)</u></u>	<u><u>(7,791)</u></u>	<u><u>(15,273)</u></u>	<u><u>(7,456)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	<u>(358)</u>	<u>(203)</u>	<u>(361)</u>	<u>(217)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>(358)</u>	<u>(203)</u>	<u>(361)</u>	<u>(217)</u>
Total comprehensive income/(loss) for the period	<u><u>(10,187)</u></u>	<u><u>(7,994)</u></u>	<u><u>(15,634)</u></u>	<u><u>(7,673)</u></u>
Attributable to:				
Equity holders of the Company	(9,896)	(8,048)	(15,443)	(8,063)
Non-controlling interests	<u>67</u>	<u>257</u>	<u>170</u>	<u>607</u>
	<u><u>(9,829)</u></u>	<u><u>(7,791)</u></u>	<u><u>(15,273)</u></u>	<u><u>(7,456)</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(10,197)	(8,303)	(15,825)	(8,124)
Non-controlling interests	<u>10</u>	<u>309</u>	<u>191</u>	<u>451</u>
	<u><u>(10,187)</u></u>	<u><u>(7,994)</u></u>	<u><u>(15,634)</u></u>	<u><u>(7,673)</u></u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(5.59)	(4.55)	(8.72)	(4.70)

(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 Twelve (12) months ended 30 June 2014

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Audited RM'000
Included in the profit/(loss) before tax are the following items:				
Amortisation of product development expenditure	632	436	2,068	1,672
Bad debts recovered	68	(35)	-	(331)
Bad debts written off	2	-	2	3
Depreciation of plant and equipment	303	280	1,162	1,045
(Gain)/loss on disposal of plant and equipment	(2)	-	(59)	8
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(52)	170	234	162
- Unrealised	106	27	20	182
Impairment loss on goodwill	5,711	7,259	5,711	7,259
Impairment loss on inventories	621	-	621	-
Impairment loss on investment in a jointly controlled entity	717	-	717	-
<u>Interest expense/(income)</u>				
- Interest expense	9	15	47	33
- Interest income	(8)	(23)	(76)	(131)
Inventories written off	662	14	662	14
Plant and equipment written off	-	-	20	22
Product development expenditure written off	346	-	346	-
Provision for doubtful debts	295	(63)	798	534

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;
- 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 June 2014

	30-Jun-14 Unaudited RM'000	30-Jun-13 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,453	4,818
Intangible assets	3,060	2,978
Interest in a jointly controlled entity	-	738
Investment in an associate	5,971	-
Goodwill on consolidation	-	5,844
	<u>13,484</u>	<u>14,378</u>
Current Assets		
Inventories	6,887	10,725
Trade and other receivables	16,062	16,951
Amount due from related company	109	-
Income tax refundable	501	638
Cash and bank balances	5,657	18,006
	<u>29,216</u>	<u>46,320</u>
TOTAL ASSETS	<u>42,700</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	7,053	22,496
Foreign currency translation reserve	(334)	48
	<u>28,507</u>	<u>44,332</u>
Non-controlling interests	<u>3,397</u>	<u>4,130</u>
Total equity	<u>31,904</u>	<u>48,462</u>
Current Liabilities		
Trade and other payables	9,443	8,226
Loans and borrowings	526	2,817
Income tax payable	-	40
	<u>9,969</u>	<u>11,083</u>
Non-current Liabilities		
Loans and borrowings	682	998
Deferred tax liabilities	145	155
	<u>827</u>	<u>1,153</u>
Total liabilities	<u>10,796</u>	<u>12,236</u>
TOTAL EQUITY AND LIABILITIES	<u>42,700</u>	<u>60,698</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	16.10	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 Twelve (12) months ended 30 June 2014**

< ----- 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
Twelve (12) months ended 30 June 2014								
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	-	-	-	(382)	(15,443)	(15,825)	191	(15,634)
Transactions with owners								
Dividend paid	-	-	-	-	-	-	(924)	(924)
Balance at 30 June 2014	17,961	4,393	(566)	(334)	7,053	28,507	3,397	31,904
Twelve (12) months ended 30 June 2013								
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	-	-	-	(61)	(8,063)	(8,124)	451	(7,673)
Transactions with owners								
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)	48	22,496	44,332	4,130	48,462

(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 Twelve (12) months ended 30 June 2014

	12 months ended	
	30-Jun-14	30-Jun-13
	Unaudited	Audited
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(14,638)	(6,250)
Adjustment for :		
Amortisation of product development expenditure	2,068	1,672
Bad debts recovered	-	(331)
Bad debts written off	2	3
Depreciation of plant and equipment	1,162	1,045
(Gain)/loss on disposal of plant and equipment	(59)	8
(Gain)/loss on foreign exchange translation - Unrealised	20	182
Impairment loss on goodwill	5,711	7,259
Impairment loss on inventories	621	-
Impairment loss on investment in a jointly controlled entity	717	-
Interest expense	47	33
Interest income	(76)	(131)
Inventories written off	662	14
Plant and equipment written off	20	22
Provision for doubtful debts	798	534
Share of results in an associate	27	-
Share of results in a jointly controlled entity	15	35
Operating profit/(loss) before working capital changes	<u>(2,903)</u>	<u>4,095</u>
Changes in working capital :		
(Increase)/Decrease in inventory	2,555	(2,281)
(Increase)/Decrease in receivables	(20)	(686)
Increase/(Decrease) in payables	1,197	(1,547)
Cash (used in)/generated from operating activities	<u>829</u>	<u>(419)</u>
Interest expense	(47)	(33)
Tax paid	<u>(548)</u>	<u>(2,379)</u>
Net cash (used in)/generated from operating activities	<u>234</u>	<u>(2,831)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of an associate	(5,998)	-
Interest received	76	131
Purchase of plant and equipment	(924)	(1,902)
Proceed from disposal of plant and equipment	166	73
Product development expenditure	(2,150)	(2,375)
Repayment of advance to jointly controlled entity	-	119
Net cash (used in)/generated from investing activities	<u>(8,830)</u>	<u>(3,954)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid by subsidiaries to non-controlling interests	(924)	(255)
Proceed from issued share capital	-	3,650
Bank borrowings and term loan	-	3,298
Repayment of loans and borrowings	(2,607)	(851)
Net cash (used in)/generated from financing activities	<u>(3,531)</u>	<u>5,842</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(12,127)	(943)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(222)	(291)
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>5,657</u>	<u>18,006</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)