

**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 2014**

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30-Sep-14 Unaudited RM'000	30-Sep-13 Unaudited RM'000	30-Sep-14 Unaudited RM'000	30-Sep-13 Unaudited RM'000
<b>Revenue</b>	6,642	10,977	6,642	10,977
Operating Expenses	(8,613)	(12,370)	(8,613)	(12,370)
<b>Profit/(loss) from Operations</b>	<u>(1,971)</u>	<u>(1,393)</u>	<u>(1,971)</u>	<u>(1,393)</u>
Net interest income	(8)	11	(8)	11
Share of results in a jointly controlled entity	(2)	(3)	(2)	(3)
Share of results in an associate	(87)	-	(87)	-
<b>Profit/(loss) before taxation</b>	<u>(2,068)</u>	<u>(1,385)</u>	<u>(2,068)</u>	<u>(1,385)</u>
Income tax expense	(154)	(174)	(154)	(174)
<b>Net profit/(loss) for the period</b>	<u><u>(2,222)</u></u>	<u><u>(1,559)</u></u>	<u><u>(2,222)</u></u>	<u><u>(1,559)</u></u>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation differences	60	(121)	60	(121)
Other comprehensive income/(loss) for the period, net of tax	<u>60</u>	<u>(121)</u>	<u>60</u>	<u>(121)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><u>(2,162)</u></u>	<u><u>(1,680)</u></u>	<u><u>(2,162)</u></u>	<u><u>(1,680)</u></u>
<b>Attributable to:</b>				
Equity holders of the Company	(2,312)	(1,599)	(2,312)	(1,599)
Non-controlling interests	90	40	90	40
	<u><u>(2,222)</u></u>	<u><u>(1,559)</u></u>	<u><u>(2,222)</u></u>	<u><u>(1,559)</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	(2,221)	(1,584)	(2,221)	(1,584)
Non-controlling interests	59	(96)	59	(96)
	<u><u>(2,162)</u></u>	<u><u>(1,680)</u></u>	<u><u>(2,162)</u></u>	<u><u>(1,680)</u></u>
<b>Earnings/(loss) per share</b>				
Basic / Diluted (sen)	(1.31)	(0.90)	(1.31)	(0.90)

(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 2014 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 2014**

	<b>30-Sep-14</b>	<b>30-Jun-14</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	4,148	4,453
Intangible assets	3,137	3,060
Interest in a jointly controlled entity	(3)	-
Investment in an associate	5,884	5,971
	<u>13,166</u>	<u>13,484</u>
<b>Current Assets</b>		
Inventories	5,856	6,896
Trade and other receivables	15,216	15,928
Amount due from related company	-	109
Income tax refundable	688	583
Cash and bank balances	4,294	5,657
	<u>26,054</u>	<u>29,173</u>
<b>TOTAL ASSETS</b>	<u>39,220</u>	<u>42,657</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	4,644	6,953
Foreign currency translation reserve	(125)	(213)
	<u>26,307</u>	<u>28,528</u>
<b>Non-controlling interests</b>	<u>3,458</u>	<u>3,399</u>
<b>Total equity</b>	<u>29,765</u>	<u>31,927</u>
<b>Current Liabilities</b>		
Trade and other payables	8,508	9,337
Loans and borrowings	179	483
Income tax payable	(11)	20
	<u>8,676</u>	<u>9,840</u>
<b>Non-current Liabilities</b>		
Loans and borrowings	650	725
Deferred tax liabilities	129	130
Provision for gratuity	-	35
	<u>779</u>	<u>890</u>
<b>Total liabilities</b>	<u>9,455</u>	<u>10,730</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>39,220</u>	<u>42,657</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.86	16.11

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014 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 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>Three (3) months ended 30 September 2014</b>								
Balance at 1 July 2014	17,961	4,393	(566)	(213)	6,953	28,528	3,399	31,927
Total comprehensive income/(loss) for the period	-	-	-	88	(2,309)	(2,221)	59	(2,162)
Balance at 30 September 2014	17,961	4,393	(566)	(125)	4,644	26,307	3,458	29,765
<b>Three (3) months ended 30 September 2013</b>								
Balance at 1 July 2013	17,961	4,393	(566)	48	22,496	44,332	4,130	48,462
Total comprehensive income 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

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2014 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 Three (3) months ended 30 September 2014**

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30-Sep-14	30-Sep-13	30-Sep-14	30-Sep-13
	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	363	464	363	464
Bad debts recovered	-	(23)	-	(23)
Depreciation of plant and equipment	280	278	280	278
(Gain)/loss on disposal of plant and equipment	-	40	-	40
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	21	(43)	21	(43)
- Unrealised	(63)	85	(63)	85
<u>Interest expense/(income)</u>				
- Interest expense	10	13	10	13
- Interest income	(2)	(24)	(2)	(24)
Plant and equipment written off	-	20	-	20
Provision for doubtful debts	230	180	230	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;
- 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 2014 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 Three (3) months ended 30 September 2014**

	<b>3 months ended</b>	
	<b>30-Sep-14</b>	<b>30-Sep-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	(2,068)	(1,385)
Adjustment for :		
Amortisation of product development expenditure	363	464
Bad debts recovered	-	(23)
Depreciation of plant and equipment	280	278
(Gain)/loss on disposal of plant and equipment	-	40
(Gain)/loss on foreign exchange translation - Unrealised	57	(85)
Interest expense	10	13
Interest income	(2)	(24)
Plant and equipment written off	-	20
Provision for doubtful debts	230	180
Share of results in an associate	87	-
Share of results in a jointly controlled entity	2	3
Operating profit/(loss) before working capital changes	<u>(1,041)</u>	<u>(519)</u>
Changes in working capital :		
(Increase)/Decrease in inventory	1,040	(430)
(Increase)/Decrease in receivables	594	(1,815)
Increase/(Decrease) in payables	(920)	4,007
Cash (used in)/generated from operating activities	<u>(327)</u>	<u>1,243</u>
Interest expense	(10)	51
Tax paid	(291)	24
<b>Net cash (used in)/generated from operating activities</b>	<u>(628)</u>	<u>1,318</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	2	-
Purchase of plant and equipment	25	(453)
Product development expenditure	(440)	(1,036)
<b>Net cash (used in)/generated from investing activities</b>	<u>(413)</u>	<u>(1,489)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expense	-	(13)
Repayment of loans and borrowings	(379)	(1,094)
<b>Net cash (used in)/generated from financing activities</b>	<u>(379)</u>	<u>(1,094)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,420)	(1,278)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	57	(219)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>5,657</u>	<u>18,006</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u>4,294</u>	<u>16,509</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 2014 and the accompanying explanatory notes attached to these interim financial statements)