

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 2014

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	8,314	10,701	14,956	21,678
Operating Expenses	(8,567)	(12,596)	(17,180)	(24,966)
Loss from Operations	<u>(253)</u>	<u>(1,895)</u>	<u>(2,224)</u>	<u>(3,288)</u>
Net interest (expense)/income	(5)	18	(13)	29
Share of results in a jointly controlled entity	(3)	4	(5)	1
Share of results in an associate	(98)	-	(185)	-
Loss before taxation	<u>(359)</u>	<u>(1,873)</u>	<u>(2,427)</u>	<u>(3,258)</u>
Income tax expense	(119)	(135)	(273)	(309)
Net loss for the period	<u><u>(478)</u></u>	<u><u>(2,008)</u></u>	<u><u>(2,700)</u></u>	<u><u>(3,567)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	<u>1,281</u>	<u>(473)</u>	<u>1,341</u>	<u>(594)</u>
Other comprehensive income/(loss) for the period, net of tax	<u>1,281</u>	<u>(473)</u>	<u>1,341</u>	<u>(594)</u>
Total comprehensive income/(loss) for the period	<u><u>803</u></u>	<u><u>(2,481)</u></u>	<u><u>(1,359)</u></u>	<u><u>(4,161)</u></u>
Attributable to:				
Equity holders of the Company	(798)	(1,991)	(3,110)	(3,590)
Non-controlling interests	<u>320</u>	<u>(17)</u>	<u>410</u>	<u>23</u>
	<u><u>(478)</u></u>	<u><u>(2,008)</u></u>	<u><u>(2,700)</u></u>	<u><u>(3,567)</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	133	(2,469)	(2,088)	(4,053)
Non-controlling interests	<u>670</u>	<u>(12)</u>	<u>729</u>	<u>(108)</u>
	<u><u>803</u></u>	<u><u>(2,481)</u></u>	<u><u>(1,359)</u></u>	<u><u>(4,161)</u></u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(0.45)	(1.12)	(1.76)	(2.03)

(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 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
For the Six (6) months ended 31 December 2014

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31-Dec-14 Unaudited RM'000	31-Dec-13 Unaudited RM'000	31-Dec-14 Unaudited RM'000	31-Dec-13 Unaudited RM'000
Loss before taxation				
Included in the loss before tax are the following items:				
Amortisation of product development expenditure	339	472	702	936
Bad debts recovered	(34)	(16)	(34)	(39)
Bad debts written off	4	-	4	-
Depreciation of plant and equipment	270	282	550	560
(Gain)/loss on disposal of plant and equipment	1	(41)	1	(1)
<u>(Gain)/loss on foreign exchange translation</u>				
- Realised	(24)	97	(3)	54
- Unrealised	154	88	91	173
- Interest expense	10	13	20	26
- Interest income	(4)	(31)	(6)	(55)
Inventories written off	(32)	-	(32)	-
Plant and equipment written off	60	-	60	20
Provision for doubtful debts	71	110	301	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;
- 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 FINANCIAL POSITION
For the Six (6) months ended 31 December 2014

	31-Dec-14 Unaudited RM'000	30-Jun-14 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,110	4,453
Intangible assets	3,274	3,060
Interest in a jointly controlled entity	(12)	-
Investment in an associate	5,786	5,971
	<u>13,158</u>	<u>13,484</u>
Current Assets		
Inventories	5,550	6,896
Trade and other receivables	17,272	15,928
Amount due from related company	-	109
Income tax refundable	816	583
Cash and bank balances	3,781	5,657
	<u>27,419</u>	<u>29,173</u>
TOTAL ASSETS	<u>40,577</u>	<u>42,657</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	3,843	6,953
Foreign currency translation reserve	809	(213)
	<u>26,440</u>	<u>28,528</u>
Non-controlling interests	<u>4,128</u>	<u>3,399</u>
Total equity	<u>30,568</u>	<u>31,927</u>
Current Liabilities		
Trade and other payables	8,726	9,337
Loans and borrowings	173	483
Amount due to director	300	-
Income tax payable	58	20
	<u>9,257</u>	<u>9,840</u>
Non-current Liabilities		
Loans and borrowings	620	725
Deferred tax liabilities	132	130
Provision for gratuity	-	35
	<u>752</u>	<u>890</u>
Total liabilities	<u>10,009</u>	<u>10,730</u>
TOTAL EQUITY AND LIABILITIES	<u>40,577</u>	<u>42,657</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	14.93	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 Six (6) months ended 31 December 2014**

	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 2014								
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	-	-	-	1,022	(3,110)	(2,088)	729	(1,359)
Balance at 31 December 2014	17,961	4,393	(566)	809	3,843	26,440	4,128	30,568
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 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

(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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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**For the Six (6) months ended 31 December 2014**

	6 months ended	
	31-Dec-14	31-Dec-13
	Unaudited	Unaudited
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,427)	(3,258)
Adjustment for :		
Amortisation of product development expenditure	702	936
Bad debts recovered	(34)	(39)
Bad debts written off	4	-
Depreciation of plant and equipment	550	560
(Gain)/loss on disposal of plant and equipment	1	(1)
(Gain)/loss on foreign exchange translation - Unrealised	91	173
Interest expense	20	26
Interest income	(6)	(55)
Inventories written off	(32)	-
Plant and equipment written off	60	20
Provision for doubtful debts	301	290
Share of results in an associate	185	-
Share of results in a jointly controlled entity	5	(1)
Operating profit/(loss) before working capital changes	<u>(580)</u>	<u>(1,349)</u>
Changes in working capital :		
(Increase)/Decrease in inventory	1,378	(590)
(Increase)/Decrease in receivables	(1,562)	(2,071)
Increase/(Decrease) in payables	(381)	3,571
Cash (used in)/generated from operating activities	<u>(1,145)</u>	<u>(439)</u>
Interest expense	(20)	(515)
Tax paid	(466)	55
Net cash (used in)/generated from operating activities	<u>(1,631)</u>	<u>(899)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	6	-
Purchase of plant and equipment	(268)	(464)
Product development expenditure	(916)	(1,562)
Net cash (used in)/generated from investing activities	<u>(1,178)</u>	<u>(2,026)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expense	-	(287)
Proceed from issued share capital	-	(26)
Bank borrowings and term loan	-	(416)
Repayment of loans and borrowings	(415)	-
Net cash (used in)/generated from financing activities	<u>(415)</u>	<u>(729)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,224)	(3,654)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,348	(482)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>5,657</u>	<u>18,006</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>3,781</u>	<u>13,870</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)