

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 2015

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31-Dec-15 Unaudited RM'000	31-Dec-14 Unaudited RM'000	31-Dec-15 Unaudited RM'000	31-Dec-14 Unaudited RM'000
Revenue	10,966	8,314	21,833	14,956
Operating Expenses	(11,069)	(8,567)	(21,102)	(17,180)
Profit/(Loss) from Operations	<u>(103)</u>	<u>(253)</u>	<u>731</u>	<u>(2,224)</u>
Net interest income/(expense)	(6)	(5)	(13)	(13)
Share of results in a jointly controlled entity	-	(3)	-	(5)
Share of results in an associate	(147)	(98)	(548)	(185)
Profit/(Loss) before taxation	<u>(256)</u>	<u>(359)</u>	<u>170</u>	<u>(2,427)</u>
Income tax expense	(463)	(119)	(725)	(273)
Net Profit/(Loss) for the period	<u><u>(719)</u></u>	<u><u>(478)</u></u>	<u><u>(555)</u></u>	<u><u>(2,700)</u></u>
Other comprehensive income/(loss), net of tax				
Foreign currency translation differences	<u>(356)</u>	<u>1,281</u>	<u>1,127</u>	<u>1,341</u>
Other comprehensive income/(loss) for the period, net of tax	<u>(356)</u>	<u>1,281</u>	<u>1,127</u>	<u>1,341</u>
Total comprehensive income/(loss) for the period	<u><u>(1,075)</u></u>	<u><u>803</u></u>	<u><u>572</u></u>	<u><u>(1,359)</u></u>
Attributable to:				
Equity holders of the Company	(1,243)	(798)	(1,667)	(3,110)
Non-controlling interests	<u>524</u>	<u>320</u>	<u>1,112</u>	<u>410</u>
	<u><u>(719)</u></u>	<u><u>(478)</u></u>	<u><u>(555)</u></u>	<u><u>(2,700)</u></u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(1,635)	133	(1,002)	(2,088)
Non-controlling interests	<u>560</u>	<u>670</u>	<u>1,574</u>	<u>729</u>
	<u><u>(1,075)</u></u>	<u><u>803</u></u>	<u><u>572</u></u>	<u><u>(1,359)</u></u>
Earnings/(loss) per share				
Basic / Diluted (sen)	(0.66)	(0.45)	(0.90)	(1.76)

(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 2015 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
For the Six (6) months ended 31 December 2015**

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31-Dec-15 Unaudited RM'000	31-Dec-14 Unaudited RM'000	31-Dec-15 Unaudited RM'000	31-Dec-14 Unaudited RM'000
Profit/(Loss) before taxation				
Included in the Profit/(loss) before tax are the following items:				
Amortisation of product development expenditure	258	339	535	702
Bad debts recovered	-	(34)		(34)
Bad debts written off	-	4		4
Depreciation of plant and equipment	331	270	653	550
(Gain)/loss on disposal of plant and equipment	-	1	-	1
<u>(Gain)/loss on foreign exchange translation</u>		-		
- Realised	15	(24)	25	(3)
- Unrealised	27	154	(124)	91
- Interest expense	10	10	19	20
- Interest income	(4)	(4)	(6)	(6)
Inventories written off	-	(32)		(32)
Plant and equipment written off	-	60	9	60
Provision for doubtful debts	90	71	288	301

There is no income/expenses in relation to the below items :

- Gain/loss on derivatives
- Exceptional items (Otherwise disclosed)
- Impairment loss on goodwill
- Impairment loss on investment in a jointly controlled entity
- Inventories written down; and
- Product development expenditure written off

(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 2015 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 2015

	31-Dec-15 Unaudited RM'000	30-Jun-15 Audited RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	4,323	4,199
Intangible assets	4,162	3,706
Interest in a jointly controlled entity	-	-
Investment in an associate	5,192	5,740
	<u>13,677</u>	<u>13,645</u>
Current Assets		
Inventories	3,935	3,161
Trade and other receivables	25,793	23,573
Amount due from related company	-	-
Tax refundable	1,159	783
Cash and bank balances	7,894	3,512
	<u>38,781</u>	<u>31,029</u>
TOTAL ASSETS	<u>52,458</u>	<u>44,674</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	19,732	18,561
Share premium	4,631	4,573
Treasury shares	(566)	(566)
Retained earnings	957	2,588
Foreign currency translation reserve	2,254	1,625
	<u>27,008</u>	<u>26,781</u>
Non-controlling interests	<u>6,575</u>	<u>4,904</u>
Total equity	<u>33,583</u>	<u>31,685</u>
Current Liabilities		
Trade and other payables	17,227	11,658
Loans and borrowings	167	160
Amount due to a director	850	500
Tax payable	65	18
	<u>18,309</u>	<u>12,336</u>
Non-current Liabilities		
Loans and borrowings	505	588
Deferred tax liabilities	61	55
Provision for gratuity	-	10
	<u>566</u>	<u>653</u>
Total liabilities	<u>18,875</u>	<u>12,989</u>
TOTAL EQUITY AND LIABILITIES	<u>52,458</u>	<u>44,674</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	13.87	14.63

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 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 2015**

	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 2015								
Balance at 1 July 2015	18,561	4,572	(566)	1,625	2,588	26,780	4,905	31,685
Issuance of shares	1,171	59	-	-	-	1,230	-	1,230
Total comprehensive income/(loss) for the period	-	-	-	629	(1,631)	(1,002)	1,670	668
Balance at 31 December 2015	<u>19,732</u>	<u>4,631</u>	<u>(566)</u>	<u>2,254</u>	<u>957</u>	<u>27,008</u>	<u>6,575</u>	<u>33,583</u>
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	<u>17,961</u>	<u>4,393</u>	<u>(566)</u>	<u>809</u>	<u>3,843</u>	<u>26,440</u>	<u>4,128</u>	<u>30,568</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2015 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 2015**

	6 months ended	
	31-Dec-15 Unaudited RM'000	31-Dec-14 Unaudited RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	170	(2,427)
Adjustment for :		
Amortisation of product development expenditure	535	702
Bad debts recovered	-	(34)
Bad debts written off	-	4
Depreciation of plant and equipment	653	550
(Gain)/loss on disposal of plant and equipment	-	1
(Gain)/loss on foreign exchange translation - Unrealised	(124)	91
Interest expense	19	20
Interest income	(6)	(6)
Inventories written off	-	(32)
Plant and equipment written off	9	60
Provision for doubtful debts	288	301
Share of results in an associate	548	185
Share of results in a jointly controlled entity	-	5
Operating profit/(loss) before working capital changes	<u>2,092</u>	<u>(580)</u>
Changes in working capital :		
(Increase)/Decrease in inventory	(774)	1,378
(Increase)/Decrease in receivables	(2,508)	(1,562)
Increase/(Decrease) in payables	5,909	(381)
Cash (used in)/generated from operating activities	<u>4,719</u>	<u>(1,145)</u>
Tax paid	<u>(1,048)</u>	<u>(466)</u>
Net cash (used in)/generated from operating activities	<u><u>3,671</u></u>	<u><u>(1,611)</u></u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	6	6
Purchase of plant and equipment	(786)	(268)
Product development expenditure	(991)	(916)
Net cash (used in)/generated from investing activities	<u><u>(1,771)</u></u>	<u><u>(1,178)</u></u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expense	(19)	(20)
Repayment of loans and borrowings	(76)	(415)
Net cash (used in)/generated from financing activities	<u><u>(95)</u></u>	<u><u>(435)</u></u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,805	(3,224)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,577	1,348
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>3,512</u>	<u>5,657</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>7,894</u></u>	<u><u>3,781</u></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 2015 and the accompanying explanatory notes attached to these interim financial statements)