

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Income Statements
For The 4th Quarter 12 Months Ended 31 December 2004
(The figures have not been audited)

	Current Qtr Ending 31/12/2004 RM'000	Comparative * Qtr Ending 31/12/2003 RM'000	Cumulative YTD 31/12/2004 RM'000	Cumulative * YTD 31/12/2003 RM'000
Revenue	2,516	1,253	11,145	5,010
Operating Expenses	(2,419)	(1,041)	(9,822)	(4,162)
Other Operating Income	3	-	3	-
Profit From Operations	100	212	1,326	848
Finance Costs	(3)	(3)	(13)	(12)
Investing Results	-	-	-	-
Profit Before Taxation	97	209	1,313	836
Taxation	-	(5)	1	(20)
Profit After Taxation	97	204	1,314	816
Minority Interest	-	-	-	-
Net Profit For The Period	97	204	1,314	816
EPS - Basic (Sen)	0.16	0.33	2.10	1.33
- Diluted (Sen)	0.16	0.33	2.10	1.33

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report For the year ended 31 December 2003)

(* The quarter/cumulative figures for year 2003 were prepared on the assumption that the Group exists since 1 January 2003 and the profits accrued evenly throughout the year)

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Balance Sheet
At 31 December 2004
(The figures have not been audited)

	At 31/12/2004 RM'000	At * 31/12/2003 RM'000
Property, Plant & Equipment	1,410	513
Intangible Assets	5,407	5,875
Investment in Associate & Joint Ventures	-	-
Other Investments		-
Current Assets		
Inventories	-	-
Debtors	2,216	1,250
Cash & Cash Equivalents	8,001	281
	10,217	1,531
Current Liabilities		
Trade & Other Creditors	1,324	803
Overdraft & Short Term Borrowings	93	93
Taxation	-	20
	1,417	916
Net Current Assets	8,800	615
	15,617	7,003
Share Capital	8,173	6,130
Reserves	7,309	739
Shareholders' Fund	15,482	6,869
Minority Interest		-
Long Term Liabilities		
Borrowings	135	134
Bonds (Debt Securities)	-	-
Other Deferred Liabilities	-	-
	15,617	7,003

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

(* The quarter/cumulative figures for year 2003 were prepared on the assumption that the Group exists since 1 January 2003)

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Cash Flow Statements
For The 4th Quarter 12 Months Ending 31 December 2004
(The figures have not been audited)

	12 Months Ending 31/12/2004 RM'000	12 Months* Ending 31/12/2003 RM'000
Net Profit Before Taxation	1,313	836
Adjustment For Non-Cash Item		
Non-Cash Items	488	161
Non-Operating Items	-	
Operating Profit Before Changes In Working Capital	<u>1,801</u>	<u>997</u>
Changes In Working Capital		
Net Change in Current Assets	(962)	(1,035)
Net Change in Current Liabilities	502	512
Net Cash Flows From Operating Activities	<u>1,341</u>	<u>474</u>
Investing Activities		
Equity Investments	-	-
Other Investments	(1,660)	(519)
Net Cash Flows From Investing Activities	<u>(1,660)</u>	<u>(519)</u>
Financing Activities		
Transactions With Owners as Owners	-	(249)
Bank Borrowings	1	163
Net Proceeds From Issuance of Shares	8,038	300
Net Cash Flows From Financing Activities	<u>8,039</u>	<u>214</u>
Net Change in Cash & Cash Equivalents	7,720	169
Cash & Cash Equivalents at Beginning of Year	281	112
Cash & Cash Equivalent at End of Year	<u>8,001</u>	<u>281</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

(* The quarter/cumulative figures for year 2003 were prepared on the assumption that the Group exists since 1 January 2003) and the cash used or generated occurred evenly throughout the year)

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statements of Changes in Equity
For The 4th Quarter 12 Months Ending 31 December 2004
(The figures have not been audited)

	Share Capital RM'000	Reserve Attributable To Capital RM'000	Reserve Attributable To Revenue RM'000	Retained Profits RM'000	Total RM'000
9 Months Ending 30/09/2004					
Balance At Beginning of Year	-	-	-	739	739
Pre-Acquisition Reserves	-	-	-	(739)	(739)
Movements During The Period (Cumulative)	8,173	5,995	-	1,314	15,482
Balance At End Of Period	8,173	5,995	-	1,314	15,482
9 Months Ending At 30/09/2003 *					
Balance At Beginning of Year	6,130	-	-	(77)	6,053
Movements During The Period (Cumulative)	-	-	-	816	816
Balance At End Of Period	6,130	-	-	739	6,869

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2003)

(* The quarter/cumulative figures for year 2003 were prepared on the assumption that the Group exists since 1 January 2003)

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Selected Explanatory Notes
MASB 26 (Paragraph 16) Requirements

A1 Accounting Policies

The interim financial statements of the Group are prepared using the same accounting policies and method of computation as those used in preparation of the 2003 audited financial statements and in accordance to MASB 26, Interim Financial Reporting. The comparative quarter or period figures are inserted for illustrative purpose only based on the assumption that the Group composition had been existed since 1 January 2003 and the profits are accrued evenly throughout the year.

A2 Preceding Audited Financial Statements

There were no material items that given rise to any qualification by the auditors on the preceding financial statements of the Company and its subsidiaries.

A3 Seasonality or Cyclicity of Interim Operations

The interim operations of the Group were not affected by any major seasonality or cyclicity during the quarter.

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the interim financial statement of the Group during the quarter.

A5 Changes In Accounting Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have material effect in the current quarter.

A6 Debt And Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter other than the following issuance of ordinary shares during the year as listed below: -

Date of allotment	No. of shares allotted	Par value RM	Consideration	Total RM
22-Mar-04	6,000,000	1.00	Acquisition of eCentury Sdn Bhd	6,000,000
22-Mar-04	50,000	1.00	Acquisition of Mobile Multimedia Sdn Bhd	50,000
30-Mar-04	79,998	1.00	Cash Subscription	79,998
6-Sep-04	61,300,000	0.10	Share Splits	0
29-Nov-04	20,433,000	0.10	Public Issue	9,194,850

A7 Dividend Paid

There were no dividend paid during the quarter.

A8 Segmental Reporting

The segmented result of the Group for the year ended 31 December 2004 based on segment activities are as follows: -

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	Investment Holding RM'000	Mobile Value Added Service RM'000	Elimination RM'000	Consolidation RM'000
REVENUE				
External customers	-	11,145	-	11,145
Inter-Segment sales	173	174	(347)	-
Total Revenue	<u>173</u>	<u>11,319</u>	<u>(347)</u>	<u>11,145</u>
RESULT				
Segment result	(80)	1,655	-	1,575
Unallocate corporate exp.				<u>(251)</u>
Operating profits				1,324
Interest expense				(13)
Interest income				3
Net profit from ordinary activities				<u><u>1,314</u></u>

A9 Valuation of Property, Plant and Equipment

There were no changes or re-valuation on the value of the Group's Property, Plant and Equipment from the previous quarter and preceding annual audited financial statements.

A10 Subsequent Material Event

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the financial statements of the quarter.

A11 Changes in Group Composition

M-Mode entire shares capital were successfully listed on MESDAQ market of Bursa Malaysia on 6 December 2004 resulted in the increase of additional new ordinary shares of 20,433,000 being issued at RM0.45 per share of RM0.10 par value each.

There were no other changes in the Group composition other than those mentioned or announced through Bursa Link in the previous quarter.

A12 Contingent Liabilities & Assets

There were neither provision or changes on any contingent liabilities or assets of the Group since the last annual audited balance sheet date.

MESDAQ Listing Requirement (Part IV - Appendix 7A)

B1 Performance Review of the Company and Its Subsidiaries

The Group performance has been satisfactory and to date the Group's profit recorded has well exceeded the whole of last financial year due to the tremendous growth rate in the mobile data services.

B2 Comparison With Preceding Quarter's Results

	Qtr Ending 31/12/2004 RM'000	Qtr Ending 30/09/2004 RM'000	% Changes
Turnover	2,516	2,989	-15.8%
Net Profit After Taxation	97	334	-71.0%

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The turnover of the Group was 15.8% lower for the current quarter as compared to immediate preceding quarter's results mainly due to increase competition from existing and new competitors.

The profits for the current quarter is lower as compared to previous quarter mainly due to the increase in the overheads costs and additional infrastructure costs imposed by MAXIS.

B3 Current Year Prospects

The Board is of the opinion that the forthcoming year would pose a greater challenge for the Group when 2.5G Services fully take off. WAP access would be more readily available for consumers capitalizing on the current phone model mostly supporting GPRS connection. The mobile industry is poised to enter a new and exciting paradigm in the development of the mobile entertainment market driven by advances in technology at the network, hardware and software level. New technologies such as MMS, MPEG4, MP3 and advances like GPRS in the migration of 2.5G to 3G networks will accelerate the quality of the end-user experience of mobile entertainment services. The massive potential of this market will be characterized by the breadth of parties involve and the complexity of relationships across the mobile value chain and beyond. This revolutionary period will create immense challenges as well as great opportunities for consumer growth and revenue creation.

B4 Variance of Profit Forecast

Not Applicable

B5 Taxation

There was an over provisions of taxation of amount RM1,040 included in the book of eCentury Sdn Bhd in respect to the last financial year.

The reported taxation did not contain any deferred tax in respect of prior years. There were no taxation provided in the current quarter and financial year for the Group as the profits were mainly generated by eCentury Sdn Bhd, an tax exempt Company due to its MSC status.

B6 Unquoted Investments and/or Properties

There were no sale of any unquoted investments or properties for the current quarter and financial year to date.

B7 Quoted Securities

There were no purchase or disposal of any quoted securities for the current quarter and financial year to date.

B8 Status of Corporate Proposal

There was no corporate proposal announced but not completed in the current quarter under review. The status of the utilization of the Group's IPO proceeds for the quarter ended 31 December 2004 was as follows: -

Description	Approved Utilisation RM'000	Actual Utilization RM'000	Balance RM'000
Research & Development	2,300	(74)	2,226
Working Capital	2,500	(186)	2,314
Overseas Market Penetration	2,895	(11)	2,884
Listing Expenses	1,500	(1,157)	343
	<u>9,195</u>	<u>(1,428)</u>	<u>7,767</u>

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The balance of the listing expenses will be used for working capital and other unutilized proceeds were kept in the interest earning accounts maintained with the approved financial institution in Malaysia.

B9 Group Borrowing and Debt Securities

Group borrowing and debt securities were denominated in Ringgit Malaysia as at 31 December 2004: -

	Short Term (RM'000)	Long Term (RM'000)
Secured	93	135
Unsecured	-	-
	<hr/>	<hr/>
	93	135

B10 Financial Instruments With Off Balance Sheet Risk

The Group does not have any financial instruments with off balance sheet risk in the reporting quarter.

B11 Material Litigation

There were no material pending litigation in the reporting quarter.

B12 Dividend

The Board of Directors does not recommend any dividend in the reporting quarter and for the financial year.

B13 Earning Per Share

The EPS for the quarter and financial year was calculated based on the profit after tax for the respective period divided by 62.513 million weighted average ordinary shares issued computed based on the effective acquisition date of 1st January 2004 and results of the subsidiaries were consolidated into the Group's Income Statement as from the date of acquisition in accordance to MASB 13 (Earnings Per Share).