

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Income Statements
For The 4th Quarter Ended 31 December 2007
(The figures have not been audited)

	Note	Current Qtr Ended 31/12/2007 RM'000	Comparative Qtr Ended 31/12/2006 RM'000	Cumulative YTD 31/12/2007 RM'000	Cumulative YTD 31/12/2006 RM'000
Revenue	5	3,204	2,962	13,618	9,432
Cost of sales		(1,713)	(1,325)	(7,275)	(4,434)
Gross profits		<hr/> 1,491	<hr/> 1,637	<hr/> 6,343	<hr/> 4,998
Other income		45	61	144	200
Administrative expenses		(1,051)	(1,066)	(3,868)	(3,575)
Selling and distribution expenses		(336)	(597)	(1,384)	(1,204)
Finance costs		-	(2)	-	(4)
Profit/(Loss) before tax		<hr/> 149	<hr/> 33	<hr/> 1,235	<hr/> 415
Income tax expense	22	(1)	50	(1)	50
Profit/(Loss) for the period		<hr/> 148	<hr/> 83	<hr/> 1,234	<hr/> 465
Attributable to:					
Equity holders of the parent		187	174	1,365	593
Minority interest		(39)	(91)	(131)	(128)
		<hr/> 148	<hr/> 83	<hr/> 1,234	<hr/> 465
Earnings/ (Loss) per share attributable to equity holders of the parent:					
- Basic (Sen)	30	0.13	0.12	0.93	0.42
- Diluted (Sen)	30	N/A	N/A	0.92	0.41

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
 Condensed Consolidated Balance Sheet
 As at 31 December 2007

	Note	(Unaudited) As At 31/12/2007 RM'000	(Audited) As At 31/12/2006 RM'000
ASSETS			
Non-current assets			
Property, Plant & Equipment	10	3,057	1,728
Intangible Assets		5,118	5,118
Deferred Development Cost		2,596	2,234
Deferred tax assets		271	271
		11,042	9,351
Current assets			
Inventory		3	-
Trade receivables		1,179	2,083
Other receivables		459	316
Cash and bank balances		9,627	6,359
		11,268	8,758
TOTAL ASSETS		22,310	18,109
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		15,884	14,440
Share premium		1,140	1,057
Other reserves		74	153
Retained earnings		2,670	1,297
		19,768	16,947
Minority interest		295	427
Total Equity		20,063	17,374
Non-current liabilities			
Borrowings	26	1,344	3
		1,344	3
Current liabilities			
Trade payables		283	229
Other payables		620	502
Tax payables		-	1
		903	732
Total liabilities		2,247	735
TOTAL EQUITY AND LIABILITIES		22,310	18,109

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
 Condensed Consolidated Cash Flow Statements
 For The 4th Quarter Ended 31 December 2007
 (The figures have not been audited)

	12 Months Ended 31/12/2007 RM'000	12 Months Ended 31/12/2006 RM'000
Net Cash Flows From Operating Activities	2,921	2,140
Net Cash Flows From Investing Activities	(2,521)	(1,690)
Net Cash Flows From Financing Activities	2,868	1,292
	3,268	1,742
Net Change in Cash & Cash Equivalents		
Cash & Cash Equivalents at Beginning of Financial Period	6,359	4,616
	9,627	6,358
Cash & Cash Equivalent at End of Financial Period		
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	9,627	6,358
	9,627	6,358

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statements of Changes in Equity
For The 4th Quarter Ended 31 December 2007
(The figures have not been audited)

Note	<----- Attributable to Equity Holders of the Parent ----->					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	<--- Non Distributable --->		Distributable Retained Earnings RM'000	Total RM'000		
	Share Premium RM'000	Other Reserves RM'000					
At 1 January 2006	8,173	5,999	155	703	15,030	130	15,160
Foreign currency translation Profit/(Loss) for the period	-	-	(61)	-	(61)	-	(61)
	-	-	-	594	594	(128)	466
Total recognised income and expense for the period	-	-	(61)	594	533	(128)	405
Increase in interest in subsidiary	-	-	-	-	-	425	425
Issue of ordinary shares:-							
ESOS	228	22	-	-	250	-	250
Private placement	1,226	-	-	-	1,226	-	1,226
Bonus Issue	4,813	(4,813)	-	-	-	-	-
Transaction costs	-	(151)	-	-	(151)	-	(151)
Share-based payment under ESOS	-	-	59	-	59	-	59
At 31 December 2006	14,440	1,057	153	1,297	16,947	427	17,374
At 1 January 2007	14,440	1,057	153	1,297	16,947	427	17,374
Foreign currency translation Profit/(Loss) for the period	-	-	(79)	-	(79)	-	(79)
	-	-	-	1,373	1,373	(132)	1,241
Total recognised income and expense for the period	-	-	(79)	1,373	1,294	(132)	1,162
Issue of ordinary shares:-							
Private placement	1,444	-	-	-	1,444	-	1,444
Transaction costs	-	83	-	-	83	-	83
At 30 September 2007	15,884	1,140	74	2,670	19,768	295	20,063

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements of the Group are prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and in accordance with the requirements of rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the MESDAQ Market.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new or revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 January 2007:-

FRS 124 Related Party Disclosures

3. Comparatives

The comparative figures are consistent with those previously announced and there is no event requiring restating of the comparative figures during the quarter under review.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2006 was not subject to any audit qualification.

5. Segmental Information

	Current Qtr Ended 31/12/2007 RM'000	Comparative Qtr Ended 31/12/2006 RM'000	Cumulative YTD 31/12/2007 RM'000	Cumulative YTD 31/12/2006 RM'000
Segment Revenue				
Investment Holding	1,500	39	1,500	846
Mobile Value Added	3,212	3,015	13,634	9,419
Total revenue including inter-segment sales	4,712	3,054	15,134	10,265
Elimination of inter-segment sales	(1,508)	(92)	(1,516)	(833)
Total revenue	3,204	2,962	13,618	9,432
Segment Result				
Investment Holding	1,031	(131)	338	(406)
Mobile Value Added	527	305	1,027	999
Eliminations	1,558 (1,500)	174 -	1,365 -	593 -
Total results	58	174	1,365	593

6. Unusual Items due to their Nature, Size or Event

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 December 2007 other than as disclosed in note 2 and 7.

7. Changes in Estimates

There were no changes in accounting estimates made that would materially affect the accounts of the Group or Company for the quarter ended 31 December 2007 other than those disclosed under note 2.

8. Seasonal or Cyclical Factors

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the quarter under review.

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9. Dividends Paid

There were no dividends paid during the quarter under review.

10. Valuation of Property, Plant and Equipment

Property, plant and equipment of the Group were not revalued during the quarter under review.

11. Debt And Equity Securities

There were no issuance, cancellation, resale and repayment of debt and equity securities for the current quarter under review.

12. Changes in Composition of the Group

There were no changes to the composition of the Group during the quarter under review.

13. Discontinued Operation

There were no discontinued operations within the activities of the Group for the quarter under review.

14. Capital Commitments

On 9 August 2007, a wholly-owned subsidiary of the Company, eCentury Sdn Bhd has acquired a parcel of office for cash consideration of RM2,010,950.

15. Changes in Contingent Liabilities and Contingent Assets

There were no changes in any contingent liabilities or assets of the Group in the quarter under review.

16. Subsequent Material Events

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

17. Significant Related Party Transactions

There were no significant related party transactions during the quarter under review.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad For the MESDAQ Market

18. Performance Review of the Company and Its Subsidiaries

The Group has performed well as compared to the same period last year as a result of cost controls, and the launching of many new and innovative services. Therefore, the profits attributable to shareholders has increased from RM174,000 in the previous year corresponding quarter to RM187,000 in the current quarter.

19. Comments on Material Change in Profit Before Taxation

	Qtr Ended 31/12/2007 RM'000	Qtr Ended 30/09/2007 RM'000	% Changes
Turnover	3,204	3,457	-7.3%
Net Profit Before Taxation	148	426	-65.3%

The Group's net profit before taxation for the current quarter under review decreased by 65% as compared to the immediate preceding quarter due to lower revenue recorded and higher administrative overheads incurred. The new SMS preventive system introduced by the Telcos has impacted the Group's turnover by 7% lower as compared to the immediate preceding quarter.

20. Current Year Prospects

The Board is of the opinion that the current prospects for the mobile data services industry will continue to be challenging in view of the increasing number of players and the complexity of the new rules imposed by the local authority. Moving ahead, the Group will be focusing on developing more B2B applications targeting corporate customers as the new revenue driver and developing more sales channels for its mobile applications. However, barring unforeseen circumstances, the Board is confident of a profitable year ahead as a result of the new measures which includes, amongst others, controlling and optimising media marketing overheads to improve the Company's performance.

21. Variance of Profit Forecast

Not Applicable.

22. Income Tax Expense

There is no tax charge for the current quarter and financial year to date as the majority of the Group's income was generated by the tax exempt subsidiary holding pioneer status except on the interest income earned from placement of fixed deposits with financial institutions.

23. Unquoted Investments and/or Properties

There were no disposal of any unquoted investments or properties in the current quarter under review.

24. Quoted Securities

There were no purchase or disposal of any quoted securities for the current quarter under review.

25. Status of Corporate Proposals

Status of Utilisation of Proceeds as at 31 December 2007

On 12 December 2006, the Company's proposed private placement of up to 22,561,000 new ordinary shares of RM0.10 each ("Private Placement") was approved by the Securities Commission ("SC"). The SC also approved the Company's application for an extension of time of up to six (6) months to 12 December 2007 for the Company to implement the Private Placement. The Private Placement was completed on 22 November 2007. The total number of ordinary shares issued under the Private Placement was 14,440,000 representing approximately 10% of the issued and paid-up share capital of the Company, at an issue price of RM0.113 each.

The status of utilisation of proceeds arising from this private placement are as follows:-

Description	Approved Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Balance %	Explanation
Private Placement Proceeds					
Working Capital	1,631	(1,037)	594	36.42	On-going utilisation
	<u>1,631</u>	<u>(1,037)</u>	<u>594</u>	<u>36.42</u>	

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26. Group Borrowings and Debt Securities

The Group borrowings and debt securities were denominated in Ringgit Malaysia as at 31 December 2007 as follows:-

	Short Term (RM'000)	Long Term (RM'000)
Secured	-	1,344
Unsecured	-	-
	<u>-</u>	<u>1,344</u>

27. Financial Instruments With Off Balance Sheet Risk

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

28. Material Litigation

There were no pending material litigation in the current reporting quarter.

29. Dividends Payable

The Board of Directors do not recommend any interim dividends for the current quarter ended 31 December 2007. However, the Group announced first interim dividend for financial year ending 31 December 2008 of 2% on 5 February 2008.

30. Earnings Per Share (EPS)

(a) Basic

Basic earnings per share figures are computed by dividing profits for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period. The corresponding comparative figures of number of ordinary shares outstanding has been adjusted for the effect of the bonus issue.

	Current Qtr Ended 31/12/2007	Comparative Qtr Ended 31/12/2006	Cumulative YTD 31/12/2007	Cumulative YTD 31/12/2006
Profit attributable to ordinary equity holders of the parent (RM'000)	187	174	1,365	593
Weighted average number of ordinary shares in issue	146,225,335	142,107,276	146,225,335	142,107,276
Basic earnings per share (sen)	0.13	0.12	0.93	0.42

(b) Diluted

For the purpose of computing diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, ie:- share options granted to employees.

	Current Qtr Ended 31/12/2007	Comparative Qtr Ended 31/12/2006	Cumulative YTD 31/12/2007	Cumulative YTD 31/12/2006
Profit attributable to ordinary equity holders of the parent (RM'000)	187	174	1,365	593
Weighted average number of ordinary shares in issue	146,225,335	142,107,276	146,225,335	142,107,276
Effects of dilution: Share options	2,611,524	1,287,667	2,611,524	1,287,667
Adjusted weighted average number of ordinary shares in issue and issuable	148,836,859	143,394,943	148,836,859	143,394,943
Diluted earnings per share (sen)	0.13	0.12	0.92	0.41

31. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 February 2008.