

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The Quarter And Year Ended 31 December 2014
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/12/2014 RM'000	(Unaudited) Comparative Qtr Ended 31/12/2013 RM'000	(Unaudited) Cumulative YTD 31/12/2014 RM'000	(Audited) Cumulative YTD 31/12/2013 RM'000
Continuing operations					
Revenue	5	21,187	22,502	83,304	73,572
Cost of sales		(16,307)	(15,169)	(61,081)	(47,331)
Gross Profit		4,880	7,333	22,223	26,241
Interest income		310	258	977	911
Other income		35	1,600	70	1,600
Gain on disposal of property, plant and equipment		37	73	38	79
Other expenditure		(3,478)	(4,667)	(10,988)	(11,590)
Allowance for & write-off of receivables		(6)	(76)	(6)	(76)
Deposit written back		-	4	-	4
Realised gain on foreign exchange		-	1	-	1
Gain from liquidation of Subsidiary		-	147	-	147
Goodwill on consolidation written-off		-	(1,573)	-	(1,573)
Depreciation and amortisation		(700)	(498)	(2,331)	(1,794)
Property, plant and equipment written off		(223)	(108)	(234)	(116)
Finance costs		(9)	(12)	(42)	(50)
Profit Before Tax		846	2,482	9,707	13,784
Share of results of associated company		(28)	-	(72)	-
Income tax expense	21	(272)	(1,967)	(1,124)	(2,017)
Profit for continuing operations, net of tax		546	515	8,511	11,767
Discontinued operations					
Loss for the year from discontinued operations, net of tax		-	(63)	-	(63)
Profit for the period		546	452	8,511	11,704
Other comprehensive loss, net of tax		-	(13)	-	(5)
Total comprehensive income for the period, net of tax		546	439	8,511	11,699
Profit attributable to:					
Equity Holders of the Company		546	452	8,511	11,704
Total Comprehensive income for the period attributable to:					
Equity Holders of the Company		546	439	8,511	11,699
Earnings per Share Attributable to Equity Holders of the Company:					
- Basic (Sen)	29	0.34	0.28	5.23	7.19
- Diluted (Sen)	29	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Financial Position
As at 31 December 2014

	Note	(Unaudited) As At 31/12/2014 RM'000	(Audited) As At 31/12/2013 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment		8,368	8,193
Investment In An Associated company		758	-
Goodwill on consolidation		4,458	4,458
Deferred Development Cost		6,463	5,323
		20,047	17,974
Current Assets			
Trade Receivables		10,338	8,630
Other Receivables		1,018	2,205
Cash and Cash Equivalents		44,192	40,180
		55,548	51,015
TOTAL ASSETS		75,595	68,989
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Company			
Share Capital		16,271	16,271
Share Premium		1,254	1,254
Retained Earnings		48,572	41,688
Total Equity		66,097	59,213
Non-current Liabilities			
Term Loan	25	1,415	1,925
Deferred Tax Liabilities		1,736	1,446
		3,151	3,371
Current Liabilities			
Trade Payables		2,692	2,621
Other Payables		2,399	3,424
Dividend Payables		814	-
Term Loan	25	442	360
		6,347	6,405
Total Liabilities		9,498	9,776
TOTAL EQUITY AND LIABILITIES		75,595	68,989
Net Assets Per Share Attributable to Equity Holders of the Company (Sen)		40.62	36.39

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2014
(The figures have not been audited)

Note	<----- Attributable to Equity Holders of the Company ----->				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	<--- Non Distributable ---> Share Premium RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000			
At 1 January 2014	16,271	1,254	-	41,688	59,213	-	59,213
Profit for the period	-	-	-	8,511	8,511	-	8,511
Total comprehensive income for the period	-	-	-	8,511	8,511	-	8,511
Dividends	-	-	-	(1,627)	(1,627)	-	(1,627)
At 31 December 2014	16,271	1,254	-	48,572	66,097	-	66,097
At 1 January 2013	16,271	1,254	5	33,238	50,768	-	50,768
Profit for the period	-	-	-	11,704	11,704	-	11,704
Foreign currency translation	-	-	(5)	-	(5)	-	(5)
Total comprehensive income for the period	-	-	(5)	11,704	11,699	-	11,699
Dividend Paid	-	-	-	(3,254)	(3,254)	-	(3,254)
At 31 December 2013	16,271	1,254	-	41,688	59,213	-	59,213

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement of Cash Flows
For The Year Ended 31 December 2014
(The figures have not been audited)

	(Unaudited) 12 Months Ended 31/12/2014 RM'000	(Audited) 12 Months Ended 31/12/2013 RM'000
Cash Flows from Operating Activities		
Profit/ (loss) Before Taxation		
- Continuing operations	9,707	13,784
- Discontinued operations	-	(63)
Adjustments for:		
Bad debts written-off	6	73
Depreciation and Amortization	2,331	1,794
Deposit written back	-	(4)
Impairment loss on goodwill	-	1,573
Impairment loss on receivables	-	7
Interest Income	(977)	(911)
Interest Expenses	42	50
Property, plant and equipment written off	234	116
Gain from liquidation of Subsidiary	-	(147)
Gain on disposal of property, plant and equipment	(38)	(79)
Operating profit before working capital changes	11,305	16,193
Receivables	(527)	(4,474)
Payables	(954)	833
Cash generated from operations	9,824	12,552
Interest Income	977	911
Interest Paid	(42)	(50)
Tax Paid	(833)	(217)
Net cash generated from operating activities	9,926	13,196
Cash flows from investing activities		
Investment in an associated company	(830)	-
Purchase of property, plant and equipment	(2,091)	(1,941)
Development expenditure	(1,927)	(1,203)
Proceeds from disposal of property, plant and equipment	176	254
Net cash outflow arising on liquidation of subsidiary	-	(24)
Net cash used in investing activities	(4,672)	(2,914)
Cash flows from financing activities		
Payment of dividends	(814)	(3,254)
Repayment of loans and borrowings	(428)	(420)
Net cash used in financing activities	(1,242)	(3,674)
Net increase in cash and cash equivalents	4,012	6,608
Effect of exchange rate changes	-	(5)
Cash and cash equivalents at beginning of period	40,180	33,577
Cash and cash equivalents at end of period	44,192	40,180
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposit with fund management companies	7,253	8,261
Fixed deposit with licensed banks	32,000	26,210
Cash and bank balances	4,939	5,709
	44,192	40,180

M-MODE BERHAD
(Company No. 635759-U)
 Condensed Consolidated Statement of Cash Flows
 For The Year Ended 31 December 2014 (Continued)
 (The figures have not been audited)

	(Unaudited) 12 Months Ended 31/12/2014 RM'000	(Audited) 12 Months Ended 31/12/2013 RM'000
The analysis of net cash outflow from the liquidation of a subsidiary:		
		At the date of disposal RM'000
Other receivables		13
Cash and cash equivalents		24
Other payables		<u>(184)</u>
Net assets dissolved		(147)
Gain from disposal of discontinued operations		<u>147</u>
		-
Less: Cash and cash equivalents		<u>(24)</u>
Net cash outflow on liquidation		<u><u>(24)</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 31 December 2014

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2013. The consolidated financial statements of the Group as at and for the year ended 31 December 2013 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013 except with the adoption of the following MFRS:

Effective for financial periods beginning on or after 1 January 2014:

- Amendments to MFRS 10 : Consolidated Financial Statements - Investment Entities
- Amendments to MFRS 12 : Disclosure of Interests in Other Entities - Investment Entities
- Amendments to MFRS 127 : Separate Financial Statements - Investment Entities
- Amendments to MFRS 132 : Financial Instruments : Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136 : Impairment of Asset - Recoverable Amount Disclosures For Non-Financial Assets
- Amendments to MFRS 139 : Financial Instruments : Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 : Levies

The adoption of the above do not have any significant financial impact on the Group upon their initial application.

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 2013 was not subjected to any audit qualification.

5. Segmental Information

	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
Year ended 31 December 2014				
Total external revenue	83,304	-	-	83,304
Inter-segment revenue	19,339	7,250	(26,589)	-
Total segment revenue	102,643	7,250	(26,589)	83,304
Segment results	10,979	3,270	(4,500)	9,749
Finance costs				(42)
Profit before taxation				9,707
Share of results of associated company				(72)
Taxation				(1,124)
Net Profit after taxation				8,511

	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
Year ended 31 December 2013				
Total external revenue	73,572	-	-	73,572
Inter-segment revenue	10,987	8,342	(19,328)	-
Total segment revenue	84,559	8,342	(19,328)	73,572
Segment results	16,498	4,409	(7,073)	13,834
Finance costs				(50)
Profit before taxation				13,784
Taxation				(2,017)
Loss on discontinued operations, net of tax				(63)
Net Profit after taxation				11,704

5. **Segmental Information (continued)**

As at 31 December 2014	Contents & value added services RM'000	Investment holding RM'000	Elimination RM'000	Total Consolidated RM'000
Total segment assets	55,842	32,207	(12,454)	75,595
Total segment liabilities	15,426	2,645	(10,309)	7,762
Depreciation and amortisation	2,218	113	-	2,331
Non-cash expenses other than depreciation and amortisation	240	-	-	240

As at 31 December 2013	Contents & value added services RM'000	Investment holding RM'000	Elimination RM'000	Total Consolidated RM'000
Total segment assets	51,335	29,643	(11,989)	68,989
Total segment liabilities	16,521	1,725	(9,916)	8,330
Depreciation and amortisation	1,690	104	-	1,794
Goodwill on consolidation written-off	-	-	1,573	1,573
Non-cash expenses other than depreciation and amortisation	108	418	(565)	(39)

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 2014.

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 2014.

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.

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**

The Company had on 1 May, 2014 acquired 210,000 ordinary shares of RM 3.00 each in Say Me Commerce Sdn Bhd for a total consideration of RM 630,000. The effective interest of M-Mode Berhad in Say Me Commerce Sdn Bhd was 30%. The company had then on 8 December 2014 acquired additional 62,500 ordinary shares of RM 3.20 each in Say Me Commerce Sdn Bhd for a total consideration of RM 200,000. The effective interest for additional acquisition of M-Mode Berhad in Say Me Commerce Sdn Bhd was increased to 35.74%.

13. **Capital Commitments**

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the quarter under review.

14. **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.

15. **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.

16. **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 MAIN Market

17. Performance Review of the Company and Its Subsidiaries

For the 4th quarter ended 31 December 2014, revenue was decreased by 5.8% to RM21.2 million due to lower number of subscribers for the current quarter. The Group registered a lower profit before tax of RM0.85 million during the quarter under review as compared to profit before tax of RM2.48 million registered in preceding year's corresponding quarter, a decrease of approximately 65.9% due to higher Cost of Sales and lower revenue.

18. Comments on Material Change in Profit Before Taxation

	Qtr Ended 31/12/2014 RM'000	Qtr Ended 30/09/2014 RM'000	% Changes
Turnover	21,187	18,406	15.1%
Profit Before Taxation	846	2,021	-58.1%

The Group's turnover increased by 15.1% as compared to the preceding quarter. The Group's net profit before taxation for the current quarter under review has decreased by 58.1% due to higher cost of sales and operating expenses in this quarter.

19. Current Year Prospects

The Group is expecting to face a more competitive market within Technology, Media and Telecommunications ("TMT") industry. However, the Group will continue to enrich and enhance the quality of content libraries and its media-related services in order to meet its subscribers' increased demand and to increase its market share in the industry. Besides that, the Group will continue to monitor closely its business development plan and revise accordingly to adapt to the constant changes of the industry, and continue to invest in the R&D for new products & services. Furthermore, the Group has also taken steps to implement stringent cost control in order to achieve greater operational efficiency and effectiveness.

20. Variance of Profit Forecast

Not Applicable.

21. Income Tax Expense

	Three Months Ended		Cumulative Quarter Ended	
	Group 31 December 2014 RM'000	Group 31 December 2013 RM'000	Group 31 December 2014 RM'000	Group 31 December 2013 RM'000
Current Tax	92	111	834	161
Deferred Tax	180	1,856	290	1,856
	272	1,967	1,124	2,017

The Group's effective tax rate is lower than the statutory tax rate, primarily due to tax incentives from pioneer status enjoyed by M-Mode Systems Sdn Bhd. Despite that, tax provision on the business income generated by other subsidiaries has been provided accordingly.

The Company has an on going discussion with the authority to apply further extension on tax exemption and on 4 February 2015 accepted the letter of intent from MDEC to proceed further to finalize the detail. Further announcement will be made if the discussion can be materialised.

22. Sale of Unquoted Investment and Properties

There was no sale of unquoted investments and/or properties for the financial period ended 31 December 2014.

23. Quoted securities

- (i) There were no purchases or sales of quoted securities for the financial period under review.
- (ii) There were no investments in quoted securities as at 31 December 2014.

24. Status of Corporate Proposals

On 16 April 2014, TA Securities Holdings Berhad had, on behalf of the Board of Directors of M-Mode, announced that the Company proposes to undertake the following proposals:

- (i) Proposed transfer of the listing of and quotation for the enlarged issued and paid-up share capital of M-Mode from the ACE Market of Bursa Securities to the Main Market of Bursa Malaysia Securities Berhad ("**Proposed Transfer**"); and
- (ii) Proposed amendments to the Articles of Association of M-Mode to facilitate the implementation of the Proposed Transfer ("**Proposed Amendments**").

The Proposed transfer listing was approved by Securities Commission on 8 January 2015 and by Bursa on 22 January 2015. The Proposed transfer listing was completed on 28 January 2015.

25. Group Borrowings and Debt Securities

The Groups borrowings as at 31 December 2014 were denominated in Ringgit Malaysia and are as follows:-

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Secured	442	1,415	1,857
Unsecured	-	-	-
	442	1,415	1,857
	442	1,415	1,857

26. Material Litigation

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

27. Realised and Unrealised Profits

The retained profits as at 31 December 2014 and 31 December 2013 were analysed as follows :

	Group 31 December 2014 RM'000	Group 31 December 2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	52,032	41,491
- Unrealised	(1,736)	(1,446)
	50,296	40,045
Total accumulated loss of an associate		
- Realised	(72)	-
	50,224	40,045
Add : Consolidation adjustments	(1,652)	1,643
	48,572	41,688
	48,572	41,688

28. Dividends Payable

On 12 January 2015, an interim tax exempt dividend of 5% per ordinary shares for the financial year ended 31 December 2014 was paid to all holders of ordinary shares whose names appeared in the Record of Depositors at the close of business on 26 December 2014.

29. 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 Company by the weighted average number of ordinary shares in issue during the period. The corresponding comparative figures of number of the ordinary shares outstanding has been adjusted based on the effect of share options.

	Current Qtr Ended 31/12/2014	Comparative Qtr Ended 31/12/2013	Cumulative YTD 31/12/2014	Cumulative YTD 31/12/2013
Profit attributable to ordinary equity holders of the Company (RM'000)				
Continuing operations	546	515	8,511	11,767
Discontinued operations	-	(63)	-	(63)
	546	452	8,511	11,704
Weighted average number of ordinary shares in issue	162,709,500	162,709,500	162,709,500	162,709,500
Basic earnings per share (sen)				
Continuing operations	0.34	0.32	5.23	7.23
Discontinued operations	-	(0.04)	-	(0.04)
	0.34	0.28	5.23	7.19
	0.34	0.28	5.23	7.19

(b) Diluted

The fully diluted earning per share have not been presented as there is no diluted effect for the shares of the Group.

30. 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 25 February 2015.