

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Profit or Loss and Other Comprehensive Income
For The 1st Quarter Ended 31 March 2015
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/03/2015 RM'000	(Unaudited) Comparative Qtr Ended 31/03/2014 RM'000	(Unaudited) Cumulative YTD 31/03/2015 RM'000	(Unaudited) Cumulative YTD 31/03/2014 RM'000
Continuing operations					
Revenue	5	20,204	19,557	20,204	19,557
Cost of sales		(15,226)	(12,984)	(15,226)	(12,984)
Gross Profit		4,978	6,573	4,978	6,573
Interest income		350	189	350	189
Other income		5	12	5	12
Other expenditure		(2,503)	(2,882)	(2,503)	(2,882)
Depreciation and amortisation		(641)	(522)	(641)	(522)
Property, plant and equipment written off		(6)	(9)	(6)	(9)
Finance costs		(9)	(11)	(9)	(11)
Profit Before Tax		2,174	3,350	2,174	3,350
Share of results of associated company		(33)	-	(33)	-
Income tax expense	21	(189)	(229)	(189)	(229)
Profit for the period		1,952	3,121	1,952	3,121
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,952	3,121	1,952	3,121
Profit attributable to: Owners of the Company		1,952	3,121	1,952	3,121
Total Comprehensive income for the period attributable to: Owners of the Company		1,952	3,121	1,952	3,121
Earnings per Share Attributable to Owners of the Company:					
- Basic (Sen)	29	1.20	1.92	1.20	1.92
- 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 2014 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 March 2015

	Note	(Unaudited) As At 31/03/2015 RM'000	(Audited) As At 31/12/2014 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment		8,545	8,368
Investment In An Associated company		725	758
Goodwill on consolidation		4,458	4,458
Deferred Development Cost		6,745	6,463
Deferred Tax Asset		5	5
		20,478	20,052
Current Assets			
Trade Receivables		11,623	10,779
Other Receivables		773	1,072
Cash and Cash Equivalents		44,907	44,211
		57,303	56,062
TOTAL ASSETS		77,781	76,114
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share Capital		16,271	16,271
Share Premium		1,254	1,254
Retained Earnings		50,508	48,556
Total Equity		68,033	66,081
Non-current Liabilities			
Term Loan	25	1,302	1,477
Deferred Tax Liabilities		2,153	2,077
		3,455	3,554
Current Liabilities			
Trade Payables		4,019	2,879
Other Payables		1,829	3,220
Term Loan	25	445	380
		6,293	6,479
Total Liabilities		9,748	10,033
TOTAL EQUITY AND LIABILITIES		77,781	76,114
Net Assets Per Share Attributable to Owners of the Company (Sen)		41.81	40.61

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 1st Quarter Ended 31 March 2015
(The figures have not been audited)

Note	<----- Attributable to Equity Holders of the Company ----->				Total RM'000	Non-Controlling 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 2015	16,271	1,254	-	48,556	66,081	-	66,081
Profit for the period	-	-	-	1,952	1,952	-	1,952
Total comprehensive income for the period	-	-	-	1,952	1,952	-	1,952
At 31 March 2015	16,271	1,254	-	50,508	68,033	-	68,033
At 1 January 2014	16,271	1,254	-	41,688	59,213	-	59,213
Profit for the period	-	-	-	3,121	3,121	-	3,121
Total comprehensive income for the period	-	-	-	3,121	3,121	-	3,121
At 31 March 2014	16,271	1,254	-	44,809	62,334	-	62,334

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 1st Quarter Ended 31 March 2015
(The figures have not been audited)

	(Unaudited) 3 Months Ended 31/03/2015 RM'000	(Unaudited) 3 Months Ended 31/03/2014 RM'000
Cash Flows from Operating Activities		
Profit Before Taxation	2,174	3,350
Adjustments for:		
Depreciation and Amortization	641	522
Interest Income	(350)	(189)
Interest Expenses	9	11
Property, plant and equipment written off	6	9
Operating profit before working capital changes	2,480	3,703
Receivables	(535)	(5,294)
Payables	(264)	(1,711)
Cash generated from operations	1,681	(3,302)
Interest Income	350	189
Interest Paid	(9)	(11)
Tax refund	3	-
Tax Paid	(113)	(228)
Net cash generated from/ (used in) operating activities	1,912	(3,352)
Cash flows from investing activities		
Purchase of property, plant and equipment	(611)	(103)
Development expenditure	(496)	(250)
Proceeds from disposal of property, plant and equipment	1	-
Net cash used in investing activities	(1,106)	(353)
Cash flows from financing activities		
Repayment of loans and borrowings	(110)	(108)
Net cash used in financing activities	(110)	(108)
Net increase/(decrease) in cash and cash equivalents	696	(3,813)
Cash and cash equivalents at beginning of period	44,211	40,180
Cash and cash equivalents at end of period	44,907	36,367
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposit with fund management companies	7,309	7,097
Fixed deposit with licensed banks	30,500	21,410
Cash and bank balances	7,098	7,860
	44,907	36,367

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 31 March 2015

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 2014. The consolidated financial statements of the Group as at and for the year ended 31 December 2014 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 2014 except for the adoption of the following Amendments and Annual improvements to Standards:

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

- Amendments to MFRS 119 : Defined Benefits Plans - Employee Contribution
- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above standards, amendments and annual improvement do not have any significant financial impact to the Group's financial statements.

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 2014 was not subjected to any audit qualification.

5. Segmental Information

Period ended 31 March 2015	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
Total external revenue	20,204	-	-	20,204
Inter-segment revenue	4,409	831	(5,240)	-
Total segment revenue	24,613	831	(5,240)	20,204
Segment results	2,461	(278)	-	2,183
Finance costs				(9)
Profit before taxation				2,174
Share of results of associated company				(33)
Taxation				(189)
Net Profit after taxation				1,952

Period ended 31 March 2014	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
Total external revenue	19,557	-	-	19,557
Inter-segment revenue	2,865	928	(3,793)	-
Total segment revenue	22,422	928	(3,793)	19,557
Segment results	3,213	148	-	3,361
Finance costs				(11)
Profit before taxation				3,350
Taxation				(229)
Net Profit after taxation				3,121

5. Segmental Information (continued)

As at 31 March 2015	Contents & value added services RM'000	Investment holding RM'000	Elimination RM'000	Total Consolidated RM'000
Total segment assets	60,669	31,365	(14,258)	77,776
Total segment liabilities	17,591	2,083	(12,079)	7,595
Depreciation and amortisation	613	28	-	641
Non-cash expenses other than depreciation and amortisation	4	2	-	6

As at 31 March 2014	Contents & value added services RM'000	Investment holding RM'000	Elimination RM'000	Total Consolidated RM'000
Total segment assets	45,011	29,267	(3,987)	70,291
Total segment liabilities	8,890	982	(1,915)	7,957
Depreciation and amortisation	494	28	-	522
Non-cash expenses other than depreciation and amortisation	9	-	-	9

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 March 2015.

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 under review.

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

The Board has declared an Interim Tax Exempt Dividend of 5% per ordinary share in respect of the financial year ended 31 December 2014. The said dividend was paid on 12 January 2015.

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. 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 1st quarter ended 31 March 2015, revenue was up marginally by 3.3% to RM20.20 million. The profits attributable to shareholders has decreased by RM 1.17 million to RM 1.95 million as compared to previous years' corresponding quarter of RM3.12 million. The decrease in profits as compared to previous years' corresponding quarter were mainly due to higher cost in expansion of partnership networks.

18. Comments on Material Change in Profit Before Taxation

	Qtr Ended 31/03/2015 RM'000	Qtr Ended 31/12/2014 RM'000	% Changes
Turnover	20,204	21,913	-7.8%
Profit Before Taxation	2,174	1,136	91.4%

The Group's turnover decreased by 7.8% as compared to the preceding quarter. The Group's net profit before taxation for the current quarter under review has increased by 91.4% due to lower operating cost.

19. Current Year Prospects

2015 is a challenging year in mobile industry. However, there will still be high demand in mobile internet and higher penetration of smart phones in the country. The group will continue to focus on its transformation strategy in responding to the changes in the eco-systems which includes of innovative measures to current business and expanding to the product life-cycle to Smartphone switchers, extending partnership networks for product diversity as well as building Talents.

20. Variance of Profit Forecast

Not Applicable.

21. Income Tax Expense

	Three Months Ended		Cumulative Quarter Ended	
	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Current Tax	113	229	113	229
Deferred Tax	76	-	76	-
	189	229	189	229

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

On 4 February 2015 the Company had accepted a letter of intent from MDEC for further extension on tax exemption. However, the discussion was still on-going and pending approval by relevant authority.

22. Sale of Unquoted Investment and Properties

There was no sale of unquoted investments and/or properties for the financial period ended 31 March 2015.

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 March 2015.

24. Status of Corporate Proposals

There were no corporate proposals undertake by the Group during the period under review

25. Group Borrowings and Debt Securities

The Groups borrowings as at 31 March 2015 were denominated in Ringgit Malaysia and are as follows:-

	Short-Term RM'000	Long-Term RM'000	Total RM'000
Secured	445	1,302	1,747
Unsecured	-	-	-
	445	1,302	1,747

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 March 2015 and 31 December 2014 were analysed as follows :

	Group 31 March 2015 RM'000	Group 31 December 2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	54,160	52,062
- Unrealised	(2,148)	(2,072)
	52,012	49,990
Total accumulated loss of an associate		
- Realised	(33)	(72)
	51,979	49,918
Add : Consolidation adjustments	(1,471)	(1,362)
	50,508	48,556
Total Group retained profits as per consolidated accounts	50,508	48,556

28. Dividends Payable

The Board of Directors had on 3 April 2015 proposed a final tax exempt dividend of 0.50 sen per ordinary share of RM 0.10 each in respect of the financial year ended 31 December 2014 for the approval of the shareholders at the forthcoming Company's Eleventh Annual General Meeting. The proposed entitlement and payment dates for the final tax exempt dividend shall be 3 June 2015 and 19 June 2015 respectively.

29. Earnings Per Share (EPS)

(a) Basic

Basic earnings per share figures are computed by dividing profits for the period attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Current Qtr Ended 31/3/2015	Comparative Qtr Ended 31/3/2014	Cumulative YTD 31/3/2015	Cumulative YTD 31/3/2014
Profit attributable to Owners of the Company (RM'000)	1,952	3,121	1,952	3,121
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)	1.20	1.92	1.20	1.92

(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 14 May 2015.