

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Profit or Loss
For The 4th Quarter Ended 31 December 2016
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/12/2016 RM'000	(Unaudited) Comparative Qtr Ended 31/12/2015 RM'000 (Restated)	(Unaudited) Cumulative YTD 31/12/2016 RM'000	(Audited) Cumulative YTD 31/12/2015 RM'000 (Restated)
Continuing operations					
Revenue *	5	3,085	9,093	15,445	37,248
Cost of sales *		(369)	(3,609)	(5,661)	(15,805)
Gross profit		<u>2,716</u>	<u>5,484</u>	<u>9,784</u>	<u>21,443</u>
Interest income		414	333	1,444	1,408
Other income		21	3	73	68
Other expenditure		(2,962)	(3,496)	(10,535)	(10,508)
Depreciation and amortisation		(626)	(715)	(2,724)	(2,793)
Development costs written off		-	(820)	-	(820)
Finance costs		(2)	(7)	(20)	(33)
Impairment loss on development costs		(290)	-	(290)	-
Impairment loss on investment in associate		-	(767)	-	(767)
(Loss) / Gain on disposal of property, plant and equipment		-	8	(25)	88
Loss on disposal of subsidiary		(126)	-	(126)	-
Property, plant and equipment written off		(28)	-	(179)	(16)
Share of loss in associate		(4)	(7)	(10)	(84)
(Loss) / Profit before tax		<u>(887)</u>	<u>16</u>	<u>(2,608)</u>	<u>7,986</u>
Income tax (expense) / credit	21	(299)	696	17	778
(Loss) / Profit for the period		<u>(1,186)</u>	<u>712</u>	<u>(2,591)</u>	<u>8,764</u>
 (Loss) / Profit attributable to: Owners of the Company					
		<u>(1,186)</u>	<u>712</u>	<u>(2,591)</u>	<u>8,764</u>
(Loss) / Earnings per Share Attributable to Owners of the Company:					
- Basic (Sen)	29	(0.73)	0.44	(1.59)	5.39
- Diluted (Sen)	29	N/A	N/A	N/A	N/A

* The comparatives for the quarter and twelve months ended 31 December 2016 have been restated as disclosed in Note 3.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Comprehensive Income
For The 4th Quarter Ended 31 December 2016
(The figures have not been audited)

	(Unaudited) Current Qtr Ended 31/12/2016 RM'000	(Unaudited) Comparative Qtr Ended 31/12/2015 RM'000 (Restated)	(Unaudited) Cumulative YTD 31/12/2016 RM'000	(Audited) Cumulative YTD 31/12/2015 RM'000 (Restated)
(Loss) / Profit for the period	(1,186)	712	(2,591)	8,764
Other comprehensive expense				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	(57)	-	(66)	-
Other comprehensive expense, net of tax	(57)	-	(66)	-
Total comprehensive (expense) / income for the period	(1,243)	712	(2,657)	8,764
Total Comprehensive (expense) / income for the period attributable to: Owners of the Company	(1,243)	712	(2,657)	8,764

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2015 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 2016

	Note	(Unaudited) As At 31/12/2016 RM'000	(Audited) As At 31/12/2015 RM'000
ASSETS			
Non-current Assets			
Property, plant & equipment		6,470	8,019
Investment in associate		29	38
Goodwill on consolidation		4,543	4,583
Deferred development cost		5,512	5,911
Copyright license		128	98
Available-for-sale investment		1,451	-
Deferred tax assets		249	249
		<u>18,382</u>	<u>18,898</u>
Current Assets			
Trade receivables		2,180	15,006
Other receivables, deposits & prepaid expenses		1,983	759
Tax recoverable		862	838
Cash and cash equivalents		49,844	46,814
		<u>54,869</u>	<u>63,417</u>
TOTAL ASSETS		73,251	82,315
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital		16,271	16,271
Share premium		1,254	1,254
Available-for-sale financial asset reserve		(66)	-
Retained earnings		52,939	56,506
Total Equity		70,398	74,031
Non-current Liabilities			
Term loans	25	-	1,010
Deferred tax liabilities		1,580	1,851
		<u>1,580</u>	<u>2,861</u>
Current Liabilities			
Trade payables		941	3,259
Other payables and accrued expenses		332	1,758
Term loans	25	-	406
		<u>1,273</u>	<u>5,423</u>
Total Liabilities		2,853	8,284
TOTAL EQUITY AND LIABILITIES		73,251	82,315
Net Assets Per Share Attributable to Owners of the Company (Sen)		43.27	45.50

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2015 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 4th Quarter Ended 31 December 2016
(The figures have not been audited)

	<----- Attributable to Owners of the Company ----->				
	Share Capital RM'000	Non Distributable Share Premium RM'000	Non Distributable Available- for-sale Financial Asset Reserve RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
At 1 January 2016	16,271	1,254	-	56,506	74,031
Loss for the period	-	-	-	(2,591)	(2,591)
Other comprehensive expense	-	-	(66)	-	(66)
Total comprehensive expense for the period	-	-	(66)	(2,591)	(2,657)
Dividend paid	-	-	-	(976)	(976)
At 31 December 2016	16,271	1,254	(66)	52,939	70,398
At 1 January 2015	16,271	1,254	-	48,556	66,081
Profit for the period	-	-	-	8,764	8,764
Total comprehensive income for the period	-	-	-	8,764	8,764
Dividend paid	-	-	-	(814)	(814)
At 31 December 2015	16,271	1,254	-	56,506	74,031

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement of Cash Flows
For The 4th Quarter Ended 31 December 2016
(The figures have not been audited)

	(Unaudited) 12 Months Ended 31/12/2016 RM'000	(Audited) 12 Months Ended 31/12/2015 RM'000
Cash Flows from Operating Activities		
(Loss) / Profit before taxation	(2,608)	7,986
Adjustments for:		
Deposits written off	478	2
Depreciation and amortisation	2,724	2,793
Development costs written off	-	820
Finance costs	20	33
Impairment loss on development costs	290	-
Impairment loss on investment in associate	-	767
Loss / (Gain) on disposal of property, plant and equipment	25	(88)
Loss on disposal of subsidiary	126	-
Property, plant and equipment written off	179	16
Share of loss in associate	10	84
Dividend income from available-for-sale investment	(21)	-
Interest income	(1,444)	(1,408)
Waiver of amount due from former director	(44)	(46)
	<hr/>	<hr/>
Operating (loss) / profit before working capital changes	(265)	10,959
Receivables	12,497	(4,049)
Payables	(3,729)	(1,083)
	<hr/>	<hr/>
Cash generated from operations	8,503	5,827
Interest received	1,444	1,408
Finance cost paid	(20)	(33)
Tax refund	41	103
Tax paid	(320)	(485)
	<hr/>	<hr/>
Net cash generated from operating activities	<hr/> 9,648	<hr/> 6,820
Cash flows from investing activities		
Investment in associate	-	(131)
Net cash outflow arising on acquisition of subsidiary	(47)	(93)
Net cash outflow arising on disposal of subsidiary	(1,088)	-
Purchase of property, plant and equipment	(634)	(1,645)
Purchase of financial asset	(1,516)	-
Purchase of intangible asset	(198)	(121)
Development expenditure	(800)	(1,198)
Dividend received	21	-
Proceeds from disposal of property, plant and equipment	36	225
	<hr/>	<hr/>
Net cash used in investing activities	<hr/> (4,226)	<hr/> (2,963)
Cash flows from financing activities		
Payment of dividends	(976)	(814)
Repayment of loans and borrowings	(1,416)	(440)
	<hr/>	<hr/>
Net cash used in financing activities	<hr/> (2,392)	<hr/> (1,254)
Net increase in cash and cash equivalents	3,030	2,603
Cash and cash equivalents at beginning of year	46,814	44,211
	<hr/>	<hr/>
Cash and cash equivalents at end of year	<hr/> <u>49,844</u>	<hr/> <u>46,814</u>

M-MODE BERHAD
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Condensed Consolidated Statement of Cash Flows
For The 4th Quarter Ended 31 December 2016
(The figures have not been audited)

	(Unaudited)	(Audited)
	12 Months	12 Months
	Ended	Ended
	31/12/2016	31/12/2015
	RM'000	RM'000
 Cash and cash equivalents at the end of the financial year comprise the following:		
Short-term deposit with fund management companies	7,022	7,501
Fixed deposit with licensed banks	38,700	32,750
Cash and bank balances	4,122	6,563
	<u>49,844</u>	<u>46,814</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 31 December 2016

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and Chapter 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 2015. The consolidated financial statements of the Group as at and for the year ended 31 December 2015 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 2015 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 January 2016:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure Initiative
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Annual improvements to MFRSs 2012 - 2014 Cycle	

The adoption of the above pronouncements does not have any material impact on the financial statements of the Group.

As at the date of authorisation of the interim financial report, the following new MFRSs, amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:-

		<u>Effective dates for financial periods beginning on or after</u>
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transaction	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date yet to be determined by the Malaysian Accounting Standards Board

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition other than the adoption of MFRS 9 Financial Instruments and MFRS 15 Revenue from Contracts with Customers. The Group is currently assessing the impact of these standards and plans to adopt these standards on the respective effective dates.

3. Comparatives

The following comparative amounts of the Group for the nine months ended 31 December 2015 have been reclassified to conform with current year's presentation:

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
<u>Statement Of Profit or Loss</u>			
<u>For the twelve months ended</u>			
<u>31 December 2015</u>			
Revenue	48,000	(10,752)	37,248
Cost of sales	(26,557)	10,752	(15,805)

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2015 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 2016				
Total external revenue	15,445	-	-	15,445
Inter-segment revenue	7,184	8,216	(15,400)	-
Total segment revenue	<u>22,629</u>	<u>8,216</u>	<u>(15,400)</u>	<u>15,445</u>
Segment results	<u>(2,104)</u>	<u>4,089</u>	<u>(4,563)</u>	<u>(2,578)</u>
Finance costs				(20)
Share of loss in associate				(10)
Loss before taxation				<u>(2,608)</u>
Taxation				17
Net Loss after taxation				<u><u>(2,591)</u></u>

	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Total Consolidated RM'000
Year ended 31 December 2015 (Restated)				
Total external revenue	37,248	-	-	37,248
Inter-segment revenue	17,337	8,832	(26,169)	-
Total segment revenue	<u>54,585</u>	<u>8,832</u>	<u>(26,169)</u>	<u>37,248</u>
Segment results	<u>9,960</u>	<u>4,486</u>	<u>(6,343)</u>	8,103
Finance costs				(33)
Share of loss in associate				(84)
Profit before taxation				<u>7,986</u>
Taxation				778
Net Profit after taxation				<u><u>8,764</u></u>

	Contents & value added services RM'000	Investment holding RM'000	Elimination RM'000	Total Consolidated RM'000
As at 31 December 2016				
Total segment assets	47,066	37,406	(11,470)	73,002
Total segment liabilities	6,851	1,126	(6,704)	1,273
Depreciation and amortisation	2,631	93	-	2,724
Non-cash expenses other than depreciation and amortisation	835	112	-	947

	Contents & value added services RM'000	Investment holding RM'000	Elimination RM'000	Total Consolidated RM'000
As at 31 December 2015				
Total segment assets	57,954	34,562	(10,450)	82,066
Total segment liabilities	13,347	1,330	(8,244)	6,433
Depreciation and amortisation	2,684	109	-	2,793
Non-cash expenses other than depreciation and amortisation	836	769	-	1,605

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 2016.

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

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 except for the following:-

- (a) On 22 November 2016, the Company entered into a Sale and Purchase Agreement with Leopard Venture Sdn Bhd to dispose its entire 3,000,000 ordinary shares of RM1.00 each, representing 100% of equity interest in NovelPlus Sdn Bhd to Leopard Venture Sdn Bhd for a total cash consideration of RM1,540,000.00. The share disposal was completed on 20 January 2017.
- (b) On 20 December 2016, the Company announced that Cede Communications Sdn Bhd, a wholly-owned subsidiary of the Company, had on 5 December 2016 convened a final meeting to conclude the Member's Voluntary Winding-up. Cede Communications Sdn Bhd has been dormant for two years and the winding up has no financial impact to the Group.

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 contingent 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 2016, revenue decreased significantly by 66.1% to RM 3.1 million mainly due to loss of subscribers from the migration of content management platform of our major business partner; Celcom Malaysia. The Group had recorded a loss for the period of RM 1.2 million as compared to a profit for the period of RM 0.7 million in the preceding year's corresponding quarter ended 31 December 2015. It was mainly due to the declined revenue in the current quarter as mentioned above.

18. Comments on Material Change in Loss Before Taxation

	Qtr Ended 31/12/2016 RM'000	Qtr Ended 30/09/2016 RM'000	% Changes
Turnover	3,085	2,072	48.9%
Gross Profit	2,716	1,718	58.1%
Loss Before Taxation	(887)	(1,233)	-28.1%

The Group's turnover increased by 48.9% as compared to the preceding quarter. The Group's net loss before taxation for the current quarter under review has decreased by 28.1% due to higher revenue in this quarter.

19. Current Year Prospects

The demand in Mobile Internet for smart phone switchers are shaping how the data and product offered in the telecommunication industry. Our prospect for the remaining quarters will be focusing on working together with Mobile Operators to expand our reach, while continuously investing into Mobile Internet business services.

20. Variance of Profit Forecast

Not Applicable.

21. Income Tax Expense / (Credit)

	Three Months Ended		Cumulative Quarter Ended	
	Group 31 December 2016 RM'000	Group 31 December 2015 RM'000	Group 31 December 2016 RM'000	Group 31 December 2015 RM'000
Current Tax	208	(358)	255	(308)
Deferred Tax	91	(338)	(272)	(470)
	<u>299</u>	<u>(696)</u>	<u>(17)</u>	<u>(778)</u>

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.

22. Sale of Unquoted Investment and Properties

There was no sale of unquoted investments and/or properties for the financial period ended 31 December 2016.

23. Quoted Securities

	Group 31 December 2016 RM'000	Group 31 December 2015 RM'000
At Fair Value		
Equity Securities:		
- Quoted Shares	751	-
Debt Securities:		
- Quoted	700	-
	<u>1,451</u>	<u>-</u>

24. Status of Corporate Proposals

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

25. Group Borrowings and Debt Securities

There were no borrowings and debts securities for the financial quarter under review.

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 2016 and 31 December 2015 were analysed as follows :

	Group 31 December 2016 RM'000	Group 31 December 2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	55,669	59,536
- Unrealised	(1,331)	(1,602)
	<u>54,338</u>	<u>57,934</u>
Total accumulated loss of an associate		
- Realised	(10)	(84)
	<u>54,328</u>	<u>57,850</u>
Less : Consolidation adjustments	(1,389)	(1,344)
Total Group retained profits as per consolidated accounts	<u><u>52,939</u></u>	<u><u>56,506</u></u>

28. Dividends Payable

The Board of Directors does not recommend any dividend for the reporting quarter.

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

	Current Qtr Ended 31/12/2016	Comparative Qtr Ended 31/12/2015	Cumulative YTD 31/12/2016	Cumulative YTD 31/12/2015
(Loss) / Profit attributable to Owners of the Company (RM'000)	<u>(1,186)</u>	<u>712</u>	<u>(2,591)</u>	<u>8,764</u>
Weighted average number of ordinary shares in issue	162,709,500	162,709,500	162,709,500	162,709,500
Basic (loss) / earnings per share (sen)	<u>(0.73)</u>	<u>0.44</u>	<u>(1.59)</u>	<u>5.39</u>

(b) *Diluted*

The 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 16 February 2017.