

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Statement Of Profit or Loss  
For The Period Ended 31 March 2017  
(The figures have not been audited)

|   | (Unaudited)  | (Unaudited)   | (Unaudited)    | (Unaudited)   |
|---|--------------|---------------|----------------|---------------|
|   | Current      | Preceding     | 15 months      | Preceding     |
| Note  | Qtr Ended    | Year          | To Date Ended  | 15 months     |
|   | 31/03/2017   | Corresponding | 31/03/2017     | Corresponding |
|   | RM'000       | Qtr Ended     | 31/03/2016     | Period Ended  |
|   |              | 31/03/2016    | RM'000         | 31/03/2016    |
|   |              | RM'000        | RM'000         | RM'000        |
| <b>Continuing operations</b>  |              |               |                |               |
| Revenue   | 2,766        | N/A           | 18,211         | N/A           |
| Cost of sales   | (324)        | N/A           | (5,985)        | N/A           |
| <b>Gross profit</b>   | <b>2,442</b> | <b>N/A</b>    | <b>12,226</b>  | <b>N/A</b>    |
| Interest income   | 370          | N/A           | 1,814          | N/A           |
| Other income  | 36           | N/A           | 109            | N/A           |
| Other expenditure   | (1,524)      | N/A           | (12,059)       | N/A           |
| Depreciation and amortisation   | (587)        | N/A           | (3,311)        | N/A           |
| Finance costs   | -            | N/A           | (20)           | N/A           |
| Impairment loss on development costs                                      | -            | N/A           | (290)          | N/A           |
| Loss on disposal of property, plant and equipment                         | (2)          | N/A           | (27)           | N/A           |
| Loss on disposal of subsidiary  | -            | N/A           | (126)          | N/A           |
| Loss on winding up of subsidiary  | (12)         | N/A           | (12)           | N/A           |
| Property, plant and equipment written off                                 | -            | N/A           | (179)          | N/A           |
| Share of loss in associate  | (2)          | N/A           | (12)           | N/A           |
| <b>Profit / (Loss) before taxation</b>                                    | <b>721</b>   | <b>N/A</b>    | <b>(1,887)</b> | <b>N/A</b>    |
| Income tax expense  | (286)        | N/A           | (269)          | N/A           |
| <b>Profit / (Loss) for the period</b>                                     | <b>435</b>   | <b>N/A</b>    | <b>(2,156)</b> | <b>N/A</b>    |
| Profit / (Loss) attributable to:<br>Owners of the Company                 | 435          | N/A           | (2,156)        | N/A           |
| <b>Earnings / (Loss) per Share Attributable to Owners of the Company:</b> |              |               |                |               |
| - Basic (Sen)   | 30           | 0.27          | N/A            | (1.33)        |
| - Diluted (Sen)   | 30           | N/A           | N/A            | N/A           |

Due to change in financial year end from 31 December 2016 to 31 May 2017, the results for corresponding 3 months and 15 months period in preceding year were not presented.

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 Period Ended 31 March 2017  
(The figures have not been audited)

|  | (Unaudited)<br>Current<br>Qtr Ended<br>31/03/2017<br>RM'000 | (Unaudited)<br>Preceding<br>Year<br>Corresponding<br>Qtr Ended<br>31/03/2016<br>RM'000 | (Unaudited)<br>15 months<br>To Date Ended<br>31/03/2017<br>RM'000 | (Unaudited)<br>Preceding<br>15 months<br>Corresponding<br>Period Ended<br>31/03/2016<br>RM'000 |
|--|---|--|---|--|
| <b>Profit / (Loss) for the period</b>  | 435   | N/A  | (2,156)   | N/A  |
| <b>Other comprehensive income / (expense)</b>  |   |  |   |  |
| Items that may be reclassified subsequently<br>to profit or loss:                                  |   |  |   |  |
| Available-for-sale financial assets  |   |  |   |  |
| - Fair value gain / (loss)   | 43  | N/A  | (23)  | N/A  |
| <b>Other comprehensive income / (expense),<br/>net of tax</b>                                      | 43  | N/A  | (23)  | N/A  |
| <b>Total comprehensive income / (expense)<br/>for the period</b>                                   | 478   | N/A  | (2,179)   | N/A  |
| Total Comprehensive income / (expense)<br>for the period attributable to:<br>Owners of the Company | 478   | N/A  | (2,179)   | N/A  |

Due to change in financial year end from 31 December 2016 to 31 May 2017, the results for corresponding 3 months and 15 months period in preceding year were not presented.

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 March 2017

|  | Note | (Unaudited)<br>As At<br>31/03/2017<br>RM'000 | (Audited)<br>As At<br>31/12/2015<br>RM'000 |
|--|------|--|--|
| <b>ASSETS</b>  |      |  |  |
| <b>Non-current Assets</b>  |      |  |  |
| Property, plant & equipment                                      |      | 6,184  | 8,019                                      |
| Investment in associate  |      | 27   | 38   |
| Goodwill on consolidation  |      | 4,543  | 4,583                                      |
| Deferred development cost  |      | 5,338  | 5,911                                      |
| Copyright license  |      | 88   | 98   |
| Available-for-sale investment                                    | 24   | 3,494  | -  |
| Deferred tax assets  |      | 5  | 249  |
|  |      | <u>19,679</u>                                | <u>18,898</u>                              |
| <b>Current Assets</b>  |      |  |  |
| Trade receivables  |      | 1,598  | 15,006                                     |
| Other receivables, deposits & prepaid expenses                   |      | 575  | 759  |
| Tax recoverable  |      | 928  | 838  |
| Cash and cash equivalents  |      | 50,902                                       | 46,814                                     |
|  |      | <u>54,003</u>                                | <u>63,417</u>                              |
| <b>TOTAL ASSETS</b>  |      | <b>73,682</b>                                | <b>82,315</b>                              |
| <b>EQUITY AND LIABILITIES</b>                                    |      |  |  |
| <b>Equity Attributable to Owners of the Company</b>              |      |  |  |
| Share capital  |      | 16,271                                       | 16,271                                     |
| Share premium  |      | 1,254  | 1,254                                      |
| Available-for-sale financial asset reserve                       |      | (23)   | -  |
| Retained earnings  |      | 53,374                                       | 56,506                                     |
| <b>Total Equity</b>  |      | <u>70,876</u>                                | <u>74,031</u>                              |
| <b>Non-current Liabilities</b>                                   |      |  |  |
| Term loans   | 26   | -  | 1,010                                      |
| Deferred tax liabilities   |      | 1,541  | 1,851                                      |
|  |      | <u>1,541</u>                                 | <u>2,861</u>                               |
| <b>Current Liabilities</b>                                       |      |  |  |
| Trade payables   |      | 884  | 3,259                                      |
| Other payables and accrued expenses                              |      | 381  | 1,758                                      |
| Term loans   | 26   | -  | 406  |
|  |      | <u>1,265</u>                                 | <u>5,423</u>                               |
| <b>Total Liabilities</b>   |      | <u>2,806</u>                                 | <u>8,284</u>                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                              |      | <b>73,682</b>                                | <b>82,315</b>                              |
| Net Assets Per Share Attributable to Owners of the Company (Sen) |      | 43.56  | 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 Period Ended 31 March 2017  
(The figures have not been audited)

|   | <----- Attributable to Owners of the Company -----> |  |   |   |                           |
|---|---|--|---|---|---------------------------|
|   | Share<br>Capital<br>RM'000                          | Non<br>Distributable<br>Share<br>Premium<br>RM'000 | Non<br>Distributable<br>Available-<br>for-sale<br>Financial<br>Asset<br>Reserve<br>RM'000 | Distributable<br>Retained<br>Earnings<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>At 1 January 2016</b>                      | 16,271  | 1,254  | -   | 56,506  | 74,031                    |
| Loss for the period                           | -   | -  | -   | (2,156)   | (2,156)                   |
| Other comprehensive expense                   | -   | -  | (23)  | -   | (23)                      |
| Total comprehensive expense<br>for the period | -   | -  | (23)  | (2,156)   | (2,179)                   |
| Dividend paid                                 | -   | -  | -   | (976)   | (976)                     |
| <b>At 31 March 2017</b>                       | 16,271  | 1,254  | (23)  | 53,374  | 70,876                    |

Due to change in financial year end from 31 December 2016 to 31 May 2017, the results for corresponding 15 months period in preceding year were not presented.

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 Period Ended 31 March 2017  
(The figures have not been audited)

|   | (Unaudited)   | (Unaudited)   |
|---|---------------|---------------|
|   | 15 months     | Perceding     |
|   | To Date Ended | 15 months     |
|   | 31/03/2017    | Corresponding |
|   | RM'000        | Period Ended  |
|   |               | 31/03/2016    |
|   |               | RM'000        |
| <b>Cash Flows from Operating Activities</b>             |               |               |
| Loss before taxation                                    | (1,887)       | N/A           |
| Adjustments for:  |               |               |
| Deposits written off                                    | 478           | N/A           |
| Depreciation and amortisation                           | 3,311         | N/A           |
| Finance costs   | 20            | N/A           |
| Impairment loss on development costs                    | 290           | N/A           |
| Loss on disposal of property, plant and equipment       | 27            | N/A           |
| Loss on disposal of subsidiary                          | 126           | N/A           |
| Loss on winding up of subsidiary                        | 12            | N/A           |
| Property, plant and equipment written off               | 179           | N/A           |
| Share of loss in associate                              | 12            | N/A           |
| Dividend income from available-for-sale investment      | (42)          | N/A           |
| Interest income   | (1,814)       | N/A           |
| Waiver of amount due from former director               | (44)          | N/A           |
|   | <hr/>         | <hr/>         |
| Operating profit before working capital changes         | 668           | N/A           |
| Receivables   | 13,121        | N/A           |
| Payables  | (3,749)       | N/A           |
|   | <hr/>         | <hr/>         |
| Cash generated from operations                          | 10,040        | N/A           |
| Interest received                                       | 1,814         | N/A           |
| Finance cost paid                                       | (20)          | N/A           |
| Tax refund  | 41            | N/A           |
| Tax paid  | (467)         | N/A           |
|   | <hr/>         | <hr/>         |
| Net cash generated from operating activities            | 11,408        | N/A           |
|   | <hr/>         | <hr/>         |
| <b>Cash flows from investing activities</b>             |               |               |
| Net cash outflow arising on acquisition of subsidiary   | (47)          | N/A           |
| Net cash inflow arising on disposal of subsidiary       | 298           | N/A           |
| Purchase of property, plant and equipment               | (634)         | N/A           |
| Purchase of financial asset                             | (3,516)       | N/A           |
| Purchase of intangible asset                            | (199)         | N/A           |
| Development expenditure                                 | (888)         | N/A           |
| Dividend received                                       | 21            | N/A           |
| Proceeds from disposal of property, plant and equipment | 37            | N/A           |
|   | <hr/>         | <hr/>         |
| Net cash used in investing activities                   | (4,928)       | N/A           |
|   | <hr/>         | <hr/>         |
| <b>Cash flows from financing activities</b>             |               |               |
| Payment of dividends                                    | (976)         | N/A           |
| Repayment of loans and borrowings                       | (1,416)       | N/A           |
|   | <hr/>         | <hr/>         |
| Net cash used in financing activities                   | (2,392)       | N/A           |
|   | <hr/>         | <hr/>         |
| Net increase in cash and cash equivalents               | 4,088         | N/A           |
| Cash and cash equivalents at beginning of year          | 46,814        | N/A           |
|   | <hr/>         | <hr/>         |
| Cash and cash equivalents at end of year                | 50,902        | N/A           |
|   | <hr/> <hr/>   | <hr/> <hr/>   |

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
 Condensed Consolidated Statement of Cash Flows  
 For The Period Ended 31 March 2017  
 (The figures have not been audited)

|  | <b>(Unaudited)</b>   | <b>(Unaudited)</b>  |
|--|--|---|
|  | <b>15 months<br/>To Date Ended<br/>31/03/2017<br/>RM'000</b> | <b>Preceding<br/>15 months<br/>Corresponding<br/>Period Ended<br/>31/03/2016<br/>RM'000</b> |
| Cash and cash equivalents at the end of the financial period comprise the following: |  |   |
| Short-term deposit with fund management companies                                    | 28,376   | N/A   |
| Fixed deposit with licensed banks  | 18,450   | N/A   |
| Cash and bank balances   | 4,076  | N/A   |
|  | 50,902   | N/A   |

Due to change in financial year end from 31 December 2016 to 31 May 2017, the results for corresponding 15 months period in preceding year were not presented.

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 March 2017**

**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:

|  |   |
|--|---|
| Amendments to MFRS 5                           | Non-current Assets Held for Sale and Discontinued Operations<br>(Annual Improvements 2012-2014 Cycle) |
| Amendments to MFRS 7                           | Financial Instruments: Disclosures<br>(Annual Improvements 2012-2014 Cycle)                           |
| Amendments to MFRS 10,<br>MFRS 12 and MFRS 128 | Investment entities: Applying the Consolidation<br>Exception  |
| Amendments to MFRS 11                          | Accounting for Acquisitions of Interests<br>in Joint Operations                                       |
| MFRS 14  | Regulatory Deferral Accounts  |
| Amendments to MFRS 101                         | Presentation of Financial Statements<br>- Disclosure Initiative                                       |
| Amendments to MFRS 116<br>and MFRS 138         | Clarification of Acceptable Methods of Depreciation<br>and Amortisation                               |
| Amendments to MFRS 116<br>and MFRS 141         | Agriculture: Bearer Plants  |
| Amendment to MFRS 119                          | Employee Benefits<br>(Annual Improvements 2012 – 2014 Cycle)  |
| Amendments to MFRS 127                         | Equity Method in Separate Financial Statements  |
| Amendments to MFRS 134                         | Interim Financial Reporting<br>(Annual Improvements 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 12                 | Disclosure of Interests in Other Entities<br>(Annual Improvements 2014 – 2016)                         | 1 January 2017   |
| Amendments to MFRS 107                | Disclosure Initiative  | 1 January 2017   |
| Amendments to MFRS 112                | Recognition of Deferred Tax<br>Assets for Unrealised Losses  | 1 January 2017   |
| Amendments to MFRS 1                  | First-time Adoption of Malaysian Financial<br>Reporting Standards<br>(Annual Improvements 2014 – 2016) | 1 January 2018   |
| Amendments to MFRS 2                  | Classification and Measurement of<br>Share-Based Payment Transaction                                   | 1 January 2018   |
| Amendments to MFRS 4                  | Applying MFRS 9 Financial Instruments<br>with MFRS 4 Insurance Contracts                               | 1 January 2018   |
| MFRS 9                                | Financial Instruments  | 1 January 2018   |
| MFRS 15                               | Revenue from Contracts with Customers  | 1 January 2018   |
| Amendments to MFRS 128                | Investments in Associates and Joint Ventures<br>(Annual Improvements 2014 – 2016)                      | 1 January 2018   |
| Amendments to MFRS 140                | Transfer of Investment Property  | 1 January 2018   |
| IC Interpretations 22                 | Foreign Currency Transactions and<br>Advance Consideration   | 1 January 2018   |
| MFRS 16                               | Leases   | 1 January 2019   |
| Amendments to MFRS 10<br>and MFRS 128 | Sale or Contribution of Assets between<br>an Investor and its Associate or Joint Venture               | Effective date yet to be<br>determined by the<br>Malaysian Accounting<br>Standards Board |

## 2. Significant Accounting Policies (continued)

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. Change of Financial Year End

As announced on 05 April 2016, the Company has changed its financial year end from 31 December to 31 May. Thus, the statutory financial statements will be made up from 01 January 2016 to 31 May 2017 covering a period of 17 months.

As a result, the current and cumulative financial periods covered relating to the 15 months ended 31 March 2017 do not correspond with any of the financial quarters covered by the interim financial reports of the previous financial year. Therefore, no comparative figures have been disclosed.

## 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 &<br>value added<br>services<br>RM'000 | Investment<br>Holding<br>RM'000 | Elimination<br>RM'000 | Total<br>Consolidated<br>RM'000 |
|--|---|---------------------------------|-----------------------|---------------------------------|
| <b>15 months To Date Ended<br/>31 March 2017</b> |   |                                 |                       |                                 |
| Total external revenue                           | 18,211  | -                               | -                     | 18,211                          |
| Inter-segment revenue                            | 8,398   | 8,043                           | (16,441)              | -                               |
| Total segment revenue                            | <u>26,609</u>                                   | <u>8,043</u>                    | <u>(16,441)</u>       | <u>18,211</u>                   |
| Segment results                                  | <u>(1,482)</u>                                  | <u>4,190</u>                    | <u>(4,563)</u>        | <u>(1,855)</u>                  |
| Finance costs                                    |   |                                 |                       | (20)                            |
| Share of loss in associate                       |   |                                 |                       | (12)                            |
| Loss before taxation                             |   |                                 |                       | <u>(1,887)</u>                  |
| Taxation   |   |                                 |                       | (269)                           |
| Net Loss after taxation                          |   |                                 |                       | <u><u>(2,156)</u></u>           |

|   | Contents &<br>value added<br>services<br>RM'000 | Investment<br>Holding<br>RM'000 | Elimination<br>RM'000 | Total<br>Consolidated<br>RM'000 |
|---|---|---------------------------------|-----------------------|---------------------------------|
| <b>Perceding 15 months Corresponding<br/>Period Ended 31 March 2016</b> |   |                                 |                       |                                 |
| Total external revenue  | N/A   | N/A                             | N/A                   | N/A                             |
| Inter-segment revenue   | N/A   | N/A                             | N/A                   | N/A                             |
| Total segment revenue   | <u>N/A</u>                                      | <u>N/A</u>                      | <u>N/A</u>            | <u>N/A</u>                      |
| Segment results   | <u>N/A</u>                                      | <u>N/A</u>                      | <u>N/A</u>            | <u>N/A</u>                      |
| Finance costs   |   |                                 |                       | N/A                             |
| Share of loss in associate  |   |                                 |                       | N/A                             |
| Profit before taxation  |   |                                 |                       | <u>N/A</u>                      |
| Taxation  |   |                                 |                       | N/A                             |
| Net Profit after taxation   |   |                                 |                       | <u><u>N/A</u></u>               |

**5. Segmental Information (continued)**

|   | <b>Contents &amp;<br/>value added<br/>services<br/>RM'000</b> | <b>Investment<br/>holding<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>Consolidated<br/>RM'000</b> |
|---|---|--|-------------------------------|--|
| <b>As at 31 March 2017</b>                                    |   |  |                               |  |
| Total segment assets  | 47,028  | 36,449                                   | (9,800)                       | 73,677                                   |
| Total segment liabilities                                     | 6,240   | 45                                       | (5,020)                       | 1,265                                    |
| Depreciation and amortisation                                 | 3,195   | 116                                      | -                             | 3,311                                    |
| Non-cash expenses other than<br>depreciation and amortisation | 835   | 112                                      | -                             | 947                                      |

|   | <b>Contents &amp;<br/>value added<br/>services<br/>RM'000</b> | <b>Investment<br/>holding<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>Consolidated<br/>RM'000</b> |
|---|---|--|-------------------------------|--|
| <b>As at 31 December 2015</b>                                 |   |  |                               |  |
| 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<br>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 fifteen months ended 31 March 2017.

**7. Changes in Estimates**

There were no changes in accounting estimates made that would materially affect the accounts of the Group for the fifteen months ended 31 March 2017.

**8. Seasonal or Cyclical Factors**

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the fifteen months ended 31 March 2017.

**9. Dividends Paid**

Dividend paid during the fifteen months ended 31 March 2017 is as follows:

- (a) The Board has declared a First and Final Tax Exempt Dividend of 6% per ordinary share in respect of the financial year ended 31 December 2015. The said dividend was paid on 23 June 2016.

**10. Valuation of Property, Plant and Equipment**

Property, plant and equipment of the Group were not revalued during the fifteen months ended 31 March 2017.

**11. Debt And Equity Securities**

There were no issuance, cancellation, resale and repayment of debt and equity securities for the fifteen months ended 31 March 2017.

## 12. Changes in Composition of the Group

There were no changes to the composition of the Group for the fifteen months ended 31 March 2017 except for the following:-

- (a) The Company had on 3 February 2016 acquired two (2) ordinary shares of RM1.00 each representing 100% equity interest in One Seed Sdn. Bhd. (Formerly known as Next Dynasty Sdn. Bhd.), a company incorporated in Malaysia for a total consideration of RM50,000. Subsequent to the Acquisition, One Seed Sdn. Bhd. has become a wholly-owned subsidiary of the Company. The principal activities are engaged in the provision of mobile games publishing platform and related services.
- (b) A wholly-owned subsidiary of the Company, Tameko Sdn. Bhd. (formerly known as M-Mode Systems Sdn. Bhd.) has on 6 June 2016, incorporated a wholly-owned subsidiary, Restro Digital Pte. Ltd. in Singapore. The issued and paid up share capital of Restro Digital Pte. Ltd. is SGD2.00 comprising 2 ordinary shares. The intended principal activities are engaged in mobile cellular, radio paging, other wireless telecommunications activities, other information technology and computer service activities.
- (c) 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. NovelPlus Sdn Bhd is principally engaged in providing mobile multimedia contents and related multimedia telecommunication services, in particular, mobile social reading platform. The share disposal was completed on 20 January 2017.
- (d) 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 as at 31 March 2017.

## 14. Changes in Contingent Liabilities and Contingent Assets

There were no changes in any contingent liabilities or contingent assets of the Group during the fifteen months ended 31 March 2017.

## 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 except for the following:-

- (a) The Company has on 19 April 2017 incorporated a 100 % owned subsidiary known as E&J Builders Sdn Bhd. E&J Builders Sdn Bhd was incorporated as a private limited company by shares. The share capital of E&J Builders Sdn Bhd is RM2.00. The intended principal activities are to carry on the business as general contractors for construction work of any kind and to deal in building material and hardware merchandise of all kinds and descriptions, or as engineering, contractors, general engineers, site information and plan layout advisers and consultants whether civil, mechanical, electrical, structural, geo-technical, chemical, aeronautical, marine or otherwise.

## 16. Significant Related Party Transactions

There were no significant related party transactions during the fifteen months ended 31 March 2017.

## 17. Fair Value of Financial Instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments carried at fair value in the statement of financial position:

|                                     | 31 March<br>2017                | 31 December<br>2015             |
|-------------------------------------|---------------------------------|---------------------------------|
|                                     | Level 1<br>Fair Value<br>RM'000 | Level 1<br>Fair Value<br>RM'000 |
| Financial asset                     |                                 |                                 |
| Available-for-sale financial assets | 3,494                           | -                               |

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

**18. Performance Review of the Company and Its Subsidiaries**

During the current quarter under review, the Group had recorded a profit for the period of RM 0.4 million on the back of RM 2.8 million revenue.

**19. Comments on Material Change in Profit / (Loss) Before Taxation**

|                                 | Qtr Ended<br>31/03/2017<br>RM'000 | Qtr Ended<br>31/12/2016<br>RM'000 | % Changes |
|---------------------------------|-----------------------------------|-----------------------------------|-----------|
| Turnover                        | 2,766                             | 3,085                             | -10.3%    |
| Gross Profit                    | 2,442                             | 2,716                             | -10.1%    |
| Profit / (Loss) Before Taxation | 721                               | (887)                             | >100%     |

The Group recorded profit before taxation of RM 0.7 million in the current quarter and loss before taxation of RM 0.9 million in the immediate preceding quarter respectively. The significant increase in profit mainly due to the accomplishment of cost reduction in operating expenses and ceased of non-profitable business in this quarter.

**20. 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.

The Group will from time to time look for more opportunities and when appropriate, implement the necessary changes which include diversify its income stream. The incorporation of E&J Builders Sdn Bhd marks another milestone of the Group to explore into property construction and its related business which will be beneficial to the Group in terms of revenue and profit contributions to prevent over reliance on a single stream of income.

**21. Variance of Profit Forecast**

Not Applicable.

**22. Income Tax Expense**

|              | Three Months Ended         |                            | Fifteen Months Ended       |                            |
|--------------|----------------------------|----------------------------|----------------------------|----------------------------|
|              | 31 March<br>2017<br>RM'000 | 31 March<br>2016<br>RM'000 | 31 March<br>2017<br>RM'000 | 31 March<br>2016<br>RM'000 |
| Current Tax  | 81                         | N/A                        | 336                        | N/A                        |
| Deferred Tax | 205                        | N/A                        | (67)                       | N/A                        |
|              | <u>286</u>                 | <u>N/A</u>                 | <u>269</u>                 | <u>N/A</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.

**23. Sale of Unquoted Investment and Properties**

There was no sale of unquoted investments and/or properties for the financial period ended 31 March 2017.

**24. Quoted Securities**

|                    | 31 March<br>2017<br>RM'000 | 31 December<br>2015<br>RM'000 |
|--------------------|----------------------------|-------------------------------|
| At Fair Value      |                            |                               |
| Equity Securities: |                            |                               |
| - Quoted Shares    | 794                        | -                             |
| Debt Securities:   |                            |                               |
| - Quoted           | 2,700                      | -                             |
|                    | <u>3,494</u>               | <u>-</u>                      |

**25. Status of Corporate Proposals**

There were no corporate proposals undertake by the Group during the fifteen months ended 31 March 2017.

**26. Group Borrowings and Debt Securities**

There were no borrowings and debts securities as at 31 March 2017.

**27. Material Litigation**

There was no pending material litigation as at 31 March 2017.

**28. Realised and Unrealised Profits**

The retained profits as at 31 March 2017 and 31 December 2015 were analysed as follows :

|  | <b>31 March<br/>2017<br/>RM'000</b> | <b>31 December<br/>2015<br/>RM'000</b> |
|--|-------------------------------------|--|
| Total retained profits of the Company and its subsidiaries |                                     |  |
| - Realised   | 56,311                              | 59,536                                 |
| - Unrealised   | (1,536)                             | (1,602)                                |
|  | <u>54,775</u>                       | <u>57,934</u>                          |
| Total accumulated loss of an associate                     |                                     |  |
| - Realised   | (12)                                | (84)                                   |
|  | <u>54,763</u>                       | <u>57,850</u>                          |
| Less : Consolidation adjustments                           | (1,389)                             | (1,344)                                |
|  | <u>53,374</u>                       | <u>56,506</u>                          |
| Total Group retained profits as per consolidated accounts  | <u>53,374</u>                       | <u>56,506</u>                          |

**29. Dividends Payable**

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

**30. 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.

|  | <b>Current<br/>Qtr Ended<br/>31/3/2017</b> | <b>Perceding<br/>Year<br/>Corresponding<br/>Qtr Ended<br/>31/03/2016</b> | <b>15 months<br/>To Date Ended<br/>31/3/2017</b> | <b>Perceding<br/>15 months<br/>Corresponding<br/>Period Ended<br/>31/03/2016</b> |
|--|--|--|--|--|
| Profit / (Loss) attributable to Owners of the Company (RM'000) | 435  | N/A  | (2,156)  | N/A  |
| Weighted average number of ordinary shares in issue            | 162,709,500                                | 162,709,500  | 162,709,500                                      | 162,709,500  |
| Basic earnings / (loss) per share (sen)                        | <u>0.27</u>                                | <u>N/A</u>   | <u>(1.33)</u>                                    | <u>N/A</u>   |

(b) *Diluted*

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

**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 23 May 2017.