

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Income Statements  
For The 3rd Quarter Ended 30 September 2009  
(The figures have not been audited)

	Note	Current Qtr Ended 30/09/2009 RM'000	Comparative Qtr Ended 30/09/2008 RM'000	Cumulative YTD 30/09/2009 RM'000	Cumulative YTD 30/09/2008 RM'000
Revenue	5	6,600	4,375	15,582	11,443
Cost of Sales		(3,778)	(2,220)	(8,623)	(5,934)
<b>Gross Profits</b>		<b>2,822</b>	<b>2,155</b>	<b>6,959</b>	<b>5,509</b>
Other Income		37	9	142	26
Other Expenses		-	-	-	(694)
Administrative Expenses		(1,080)	(983)	(3,129)	(2,737)
Selling and Distribution Expenses		(602)	(268)	(1,321)	(747)
Finance Costs		(16)	(56)	(52)	(80)
<b>Profit/(Loss) Before Tax</b>		<b>1,161</b>	<b>857</b>	<b>2,599</b>	<b>1,277</b>
Income Tax Expense	22	(4)	-	(4)	-
<b>Profit/(Loss) for the period</b>		<b>1,157</b>	<b>857</b>	<b>2,595</b>	<b>1,277</b>
Attributable to:					
Equity Holders of the Parent		1,128	891	2,577	1,328
Minority Interest		29	(34)	18	(51)
		<b>1,157</b>	<b>857</b>	<b>2,595</b>	<b>1,277</b>
<b>Earnings/ (Loss) per Share Attributable to Equity Holders of the Parent:</b>					
- Basic (Sen)	30	0.71	0.56	1.62	0.84
- Diluted (Sen)	30	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Balance Sheet  
As at 30 September 2009

	Note	(Unaudited) As At 30/09/2009 RM'000	(Audited) As At 31/12/2008 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	10	3,179	3,263
Intangible Assets		6,032	6,032
Deferred Development Cost		3,897	3,529
Deferred Tax Assets		575	575
		13,683	13,399
<b>Current Assets</b>			
Inventory		185	159
Trade Receivables		3,303	1,802
Other Receivables		390	379
Cash and Bank Balances		9,205	9,905
		13,083	12,245
<b>TOTAL ASSETS</b>		26,766	25,644
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Equity Holders of the Parent</b>			
Share Capital		15,884	15,884
Share Premium		1,046	1,046
Other Reserves		52	16
Retained Earnings		7,057	4,480
		24,039	21,426
<b>Minority Interest</b>		230	212
<b>Total Equity</b>		24,269	21,638
<b>Non-current Liabilities</b>			
Term loan (Repayment more than 1 year)	26	1,358	1,516
		1,358	1,516
<b>Current Liabilities</b>			
Trade Payables		400	737
Other Payables		562	1,287
Tax Payables		29	9
Term Loan (Repayment less than 1 year)	26	148	457
		1,139	2,490
<b>Total Liabilities</b>		2,497	4,006
<b>TOTAL EQUITY AND LIABILITIES</b>		26,766	25,644

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Cash Flow Statements  
For The 3rd Quarter Ended 30 September 2009  
(The figures have not been audited)

	<b>9 Months Ended 30/09/2009 RM'000</b>	<b>9 Months Ended 30/09/2008 RM'000</b>
Net Cash Flows From Operating Activities	488	241
Net Cash Flows From Investing Activities	(772)	(1,909)
Net Cash Flows From Financing Activities	(416)	832
Net Change in Cash & Cash Equivalents	(700)	(836)
Cash & Cash Equivalents at Beginning of Financial Period	9,905	9,627
Cash & Cash Equivalent at End of Financial Period	9,205	8,791
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	9,205	8,791
	9,205	8,791

**The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying notes attached to the interim financial statements.**

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Statements of Changes in Equity  
For The 3rd Quarter Ended 30 September 2009  
(The figures have not been audited)

Note	<----- Attributable to Equity Holders of the Parent ----->				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			
<b>At 1 January 2008</b>	15,884	1,140	77	2,646	19,747	267	20,014
Foreign currency translation Profit/(Loss) for the period	-	-	(61)	-	(61)	-	(61)
	-	-	-	2,151	2,151	(55)	2,096
Total recognised income and expense for the period	-	-	(61)	2,151	2,090	(55)	2,035
Increase in interest in subsidiary	-	-	-	-	-	-	-
Issue of ordinary shares:-							
ESOS	-	-	-	-	-	-	-
Private placement	-	-	-	-	-	-	-
Bonus Issue	-	-	-	-	-	-	-
Transaction costs	-	(94)	-	-	(94)	-	(94)
Dividend Paid	-	-	-	(317)	(317)	-	(317)
Share-based payment under ESOS	-	-	-	-	-	-	-
<b>At 31 December 2008</b>	15,884	1,046	16	4,480	21,426	212	21,638
<b>At 1 January 2009</b>	15,884	1,046	16	4,480	21,426	212	21,638
Foreign currency translation Profit/(Loss) for the period	-	-	36	-	36	-	36
	-	-	-	2,577	2,577	18	2,595
Total recognised income and expense for the period	-	-	36	2,577	2,613	18	2,631
Issue of ordinary shares:-							
Private placement	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-
<b>At 30 September 2009</b>	15,884	1,046	52	7,057	24,039	230	24,269

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying notes attached to the interim financial statements.

**Part A - Explanatory Notes Pursuant to FRS 134**

**1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

**2. Changes in Accounting Policies**

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the most recent annual financial statements except for the adoption of the following Financial Reporting Standards (FRS), amendment to FRS and Interpretations ("IC Interpretations") issued by MASB that are effective for the Group's annual reporting date, 31 December 2008

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provision, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rate - Net Investment in Foreign operation
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope FRS 2

**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 2008 was not subjected to any audit qualification.

**5. Segmental Information**

	<b>Current Qtr Ended 30/09/2009 RM'000</b>	<b>Comparative Qtr Ended 30/09/2008 RM'000</b>	<b>Cumulative YTD 30/09/2009 RM'000</b>	<b>Cumulative YTD 30/09/2008 RM'000</b>
<b>Segment Revenue</b>				
Investment Holding	-	33	1,200	87
Contents and Value Added Services	7,932	4,372	15,744	11,475
Total revenue including inter-segment sales	7,932	4,405	16,944	11,562
Elimination of inter-segment sales	(1,332)	(30)	(1,362)	(119)
Total revenue	6,600	4,375	15,582	11,443
<b>Segment Result</b>				
Investment Holding	(396)	(939)	31	(1,496)
Contents and Value Added Services	1,525	1,830	3,746	2,824
Eliminations	-	-	(1,200)	-
Total results	1,129	891	2,577	1,328

**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 30 September 2009 other than as disclosed in notes 2 and 7.

**7. Changes in Estimates**

There were no changes in accounting estimates made that would materially affect the accounts of the Group or Company for the quarter ended 30 September 2009 other than those disclosed under note 2.

**8. Seasonal or Cyclical Factors**

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

**9. Dividends Paid**

There were no dividend paid during the quarter under review.

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

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

**11. Debt And Equity Securities**

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

**12. Changes in Composition of the Group**

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

**13. Discontinued Operation**

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

**14. Capital Commitments**

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.

**15. Changes in Contingent Liabilities and Contingent Assets**

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

**16. Subsequent Material Events**

M-Mode Berhad ("M-MODE") had on 10 November 2009 disposed off its 50% equity interest in PT M-Mode Indo for a total consideration of RM1.00. Subsequent to the disposal, PT M-Mode Indo has ceased to be a subsidiary of M-MODE.

**17. Significant Related Party Transactions**

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

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

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

The Group recorded an increase in revenue as compared to the previous year's corresponding quarter from RM4,375,000 to RM6,600,000, whereas, the profits attributable to shareholders has increased from RM891,000 in the previous year's corresponding quarter to RM1,128,000 in the current quarter. The increase of RM237,000 in profits as compared to previous year's corresponding quarter were mainly due to higher revenue achieved in this year.

**19. Comments on Material Change in Profit Before Taxation**

	<b>Qtr Ended 30/09/2009 RM'000</b>	<b>Qtr Ended 30/06/2009 RM'000</b>	<b>% Changes</b>
Turnover	6,600	4,667	41.4%
Net Profit Before Taxation	1,161	730	59.0%

The Group's turnover increased by 41.4% as compared to the previous quarter mainly due to rolled out of new services which contributed additional revenue to the Group. The Group's net profit before taxation for the current quarter under review has increased by 59.0% as compared to the previous quarter. This is mainly due to higher turnover achieved in this quarter.

**20. Current Year Prospects**

The Board is expecting a challenging year ahead for the mobile media industry. The Group is continuing to enrich and enhance quality of content libraries and services in order to maintain its customer base and to meet subscriber's demand. Besides that, the Group will continue to monitor closely its business development plan and revise accordingly to adapt to the changes of the industry. Barring any unforeseen circumstances, the Board expects the Group to have positive growth and continue to enjoy better future earnings in view of its continuous efforts in enhancing mobile contents and its venture into the mobile media market.

**21. Variance of Profit Forecast**

Not Applicable.

**22. Income Tax Expense**

There was a tax instalment amounting RM4K paid to Inland Revenue in the current quarter due to interest income received from fixed deposit placement.

**23. Unquoted Investments and/or Properties**

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

**24. Quoted Securities**

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

**25. Status of Corporate Proposals**

On 24 April 2009, the Company has made an announcement on proposed renewal of the authority for share buy back up to ten percent (10%) of the issued and paid-up share capital of the Company in accordance with Section 67A of the Act ("the Proposal"). The Proposal was approved by the shareholders subsequently during the Annual General Meeting held on 19 June 2009. The Company has yet to implement any share buy back for the current quarter under review.

**26. Group Borrowings and Debt Securities**

The Group borrowings were denominated in Ringgit Malaysia as at 30 September 2009 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	148	1,358	1,506
Unsecured	-	-	-
	148	1,358	1,506

**27. Financial Instruments With Off Balance Sheet Risk**

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

**28. Material Litigation**

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

**29. Dividends Payable**

The Board of Directors 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 ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period. The corresponding comparative figures of number of the ordinary shares outstanding has been adjusted based on the effect of the bonus issue.

	Current Qtr Ended 30/09/2009	Comparative Qtr Ended 30/09/2008	Cumulative YTD 30/09/2009	Cumulative YTD 30/09/2008
Profit attributable to ordinary equity holders of the parent (RM'000)	1,128	891	2,577	1,328
Weighted average number of ordinary shares in issue	158,840,500	158,840,500	158,840,500	158,840,500
Basic earnings per share (sen)	0.71	0.56	1.62	0.84

*(b) Diluted*

For the purpose of calculating diluted earning per share, the net profit for the quarter and the weighted average number of ordinary share in issue during the quarter under review have been adjusted for the dilutive effects of all potential ordinary shares on the share options granted to the employees.

The fully diluted earnings per share for the Group for the current quarter is not presented as the share options under the ESOS would be anti-dilutive as the exercise prices are higher than the market price of the Company's shares.

**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 13 November 2009.