

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Income Statements
For The 4th Quarter Ended 31 December 2009
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/12/2009 RM'000	(Unaudited) Comparative Qtr Ended 31/12/2008 RM'000	(Unaudited) Cumulative YTD 31/12/2009 RM'000	(Audited) Cumulative YTD 31/12/2008 RM'000
Revenue	5	6,753	4,682	22,335	16,129
Cost of Sales		(3,658)	(2,499)	(12,281)	(8,433)
Gross Profits		3,095	2,183	10,054	7,696
Other Income		46	173	188	195
Other Expenses		(334)	-	(334)	(694)
Administrative Expenses		(1,365)	(1,044)	(4,494)	(3,785)
Selling and Distribution Expenses		(924)	(508)	(2,245)	(1,254)
Finance Costs		(16)	(45)	(68)	(115)
Profit/(Loss) Before Tax		502	759	3,101	2,043
Income Tax Expense	22	(71)	-	(75)	53
Profit/(Loss) for the period		431	759	3,026	2,096
Attributable to:					
Equity Holders of the Parent		467	763	3,044	2,151
Minority Interest		(36)	(4)	(18)	(55)
		431	759	3,026	2,096
Earnings/ (Loss) per Share Attributable to Equity Holders of the Parent:					
- Basic (Sen)	30	0.29	0.48	1.92	1.35
- Diluted (Sen)	30	0.29	0.48	1.91	1.35

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 31 December 2009

	Note	(Unaudited) As At 31/12/2009 RM'000	(Audited) As At 31/12/2008 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	10	3,570	3,263
Intangible Assets		6,032	6,032
Deferred Development Cost		3,650	3,387
Deferred Tax Assets		515	574
		13,767	13,256
Current Assets			
Inventory		181	159
Trade Receivables		2,813	1,802
Other Receivables		223	522
Cash and Bank Balances		10,869	9,905
		14,086	12,388
TOTAL ASSETS		27,853	25,644
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Share Capital		15,884	15,884
Share Premium		1,046	1,046
Other Reserves		194	16
Retained Earnings		7,524	4,480
		24,648	21,426
Minority Interest		-	212
Total Equity		24,648	21,638
Non-current Liabilities			
Term loan (Repayment more than 1 year)	26	1,321	1,516
		1,321	1,516
Current Liabilities			
Trade Payables		413	737
Other Payables		1,110	1,287
Tax Payables		23	9
Term Loan (Repayment less than 1 year)	26	338	457
		1,884	2,490
Total Liabilities		3,205	4,006
TOTAL EQUITY AND LIABILITIES		27,853	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 4th Quarter Ended 31 December 2009
(The figures have not been audited)

	(Unaudited) 12 Months Ended 31/12/2009 RM'000	(Audited) 12 Months Ended 31/12/2008 RM'000
Net Cash Flows From Operating Activities	2,594	3,771
Net Cash Flows From Investing Activities	(1,350)	(4,028)
Net Cash Flows From Financing Activities	(280)	535
Net Change in Cash & Cash Equivalents	964	278
Cash & Cash Equivalents at Beginning of Financial Period	9,905	9,627
Cash & Cash Equivalent at End of Financial Period	10,869	9,905
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances	10,869	9,905
	10,869	9,905

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 4th Quarter Ended 31 December 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			
At 1 January 2008	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	-	-	-	-	-	-	-
At 31 December 2008	15,884	1,046	16	4,480	21,426	212	21,638
At 1 January 2009	15,884	1,046	16	4,480	21,426	212	21,638
Foreign currency translation Profit/(Loss) for the period	-	-	178	-	178	-	178
	-	-	-	3,044	3,044	(18)	3,026
Total recognised income and expense for the period	-	-	178	3,044	3,222	(18)	3,204
Disposal of subsidiary	-	-	-	-	-	(194)	(194)
Issue of ordinary shares:-							
Private placement	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-
At 31 December 2009	15,884	1,046	194	7,524	24,648	-	24,648

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-oprative 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

	Current Qtr Ended 31/12/2009 RM'000	Comparative Qtr Ended 31/12/2008 RM'000	Cumulative YTD 31/12/2009 RM'000	Cumulative YTD 31/12/2008 RM'000
Segment Revenue				
Investment Holding	2,470	2,562	3,670	2,594
Contents and Value Added Services	6,941	4,800	22,685	16,279
Total revenue including inter-segment sales	9,411	7,362	26,355	18,873
Elimination of inter-segment sales	(2,658)	(2,680)	(4,020)	(2,744)
Total revenue	6,753	4,682	22,335	16,129
Segment Result				
Investment Holding	1,606	1,980	1,637	247
Contents and Value Added Services	1,331	1,283	5,077	4,498
Eliminations	2,937 (2,470)	3,263 (2,500)	6,714 (3,670)	4,745 (2,594)
Total results	467	763	3,044	2,151

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 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 31 December 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, save for on 10 November 2009, M-Mode Berhad ("M-MODE") had 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 ceased to be a subsidiary of M-MODE.

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

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

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 ACE 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 RM4,682,000 to RM6,753,000. However, the profits attributable to shareholders has decreased by RM316,000 to RM447,000 as compared to previous year's corresponding quarter of RM763,000. The decrease is mainly due to provision for impairment, loss on disposal of subsidiary as per Note 12 and higher administrative, selling and distribution cost incurred in this quarter.

19. Comments on Material Change in Profit Before Taxation

	Qtr Ended 31/12/2009 RM'000	Qtr Ended 30/09/2009 RM'000	% Changes
Turnover	6,753	6,600	2.3%
Net Profit Before Taxation	502	1,161	-56.8%

The Group's turnover increased by 2.3% 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 decreased by 56.8% as compared to immediate preceding quarter. This is mainly due to provision for impairment, loss on disposal of subsidiary and higher expenses incurred 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

	Current Qtr Ended 31/12/2009 RM'000	Cumulative YTD 31/12/2009 RM'000
Current Tax	12	16
Deferred Tax	59	59
	71	75

There is no tax charge for the current quarter and financial year to date as the majority of the Group's income was generated by the tax exempt subsidiary holding pioneer status except on the interest income earned from placement of fixed deposits with financial institutions.

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 year to date.

26. Group Borrowings and Debt Securities

The Group borrowings were denominated in Ringgit Malaysia as at 31 December 2009 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	338	1,321	1,659
Unsecured	-	-	-
	<u>338</u>	<u>1,321</u>	<u>1,659</u>

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 31/12/2009	Comparative Qtr Ended 31/12/2008	Cumulative YTD 31/12/2009	Cumulative YTD 31/12/2008
Profit attributable to ordinary equity holders of the parent (RM'000)	467	763	3,044	2,151
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)	0.29	0.48	1.92	1.35

(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.

	Current Qtr Ended 31/12/2009	Comparative Qtr Ended 31/12/2008	Cumulative YTD 31/12/2009	Cumulative YTD 31/12/2008
Profit attributable to ordinary equity holders of the parent (RM'000)	467	763	3,044	2,151
Weighted average number of ordinary shares in issue	158,840,500	158,840,500	158,840,500	158,840,500
Effects of dilution: Share options	255,333	-	255,333	-
Adjusted weighted average number of ordinary shares in issue and issuable	159,095,833	158,840,500	159,095,833	158,840,500
Diluted earnings per share (sen)	0.29	0.48	1.91	1.35

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 February 2010.