

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statements Of Comprehensive Income
For The 4th Quarter Ended 31 December 2010
(The figures have not been audited)

| | Note | (Unaudited) Current Qtr Ended 31/12/2010 RM'000 | (Unaudited) Comparative Qtr Ended 31/12/2009 RM'000 | (Unaudited) Cumulative YTD 31/12/2010 RM'000 | (Audited) Cumulative YTD 31/12/2009 RM'000 |
|-------------------------------------------------------------------------|------|-------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------|
| Revenue | 5 | 8,660 | 6,753 | 28,929 | 22,335 |
| Cost of Sales | | (4,902) | (3,658) | (16,260) | (12,281) |
| Gross Profits | | 3,758 | 3,095 | 12,669 | 10,054 |
| Other Income | | 60 | 46 | 219 | 188 |
| Other Expenses | | (190) | (334) | (301) | (334) |
| Administrative Expenses | | (1,635) | (1,365) | (5,634) | (4,494) |
| Selling and Distribution Expenses | | (965) | (924) | (3,633) | (2,245) |
| Finance Costs | | (15) | (16) | (65) | (68) |
| Profit Before Tax | | 1,013 | 502 | 3,255 | 3,101 |
| Income Tax Expense | 22 | (74) | (71) | (92) | (75) |
| Profit for the period | | 939 | 431 | 3,163 | 3,026 |
| Other comprehensive income, net of tax | | - | - | - | - |
| Total comprehensive income for the period | | 939 | 431 | 3,163 | 3,026 |
| Attributable to: | | | | | |
| Equity Holders of the Parent | | 939 | 467 | 3,163 | 3,044 |
| Minority Interest | | - | (36) | - | (18) |
| | | 939 | 431 | 3,163 | 3,026 |
| Earnings per Share Attributable to Equity Holders of the Parent: | | | | | |
| - Basic (Sen) | 31 | 0.59 | 0.29 | 1.99 | 1.92 |
| - Diluted (Sen) | 31 | 0.59 | 0.29 | 1.99 | 1.92 |

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010

| | Note | (Unaudited) As At 31/12/2010 RM'000 | (Audited) As At 31/12/2009 RM'000 |
|-------------------------------------------------------------|------|----------------------------------------------|--------------------------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, Plant & Equipment | 10 | 4,629 | 3,570 |
| Intangible Assets | | 6,032 | 6,032 |
| Deferred Development Cost | | 3,747 | 3,475 |
| Deferred Tax Assets | | 420 | 490 |
| | | 14,828 | 13,567 |
| Current Assets | | | |
| Inventory | | 282 | 181 |
| Trade Receivables | | 2,926 | 1,787 |
| Other Receivables | | 3,300 | 1,418 |
| Cash and Cash Equivalents | | 11,739 | 10,869 |
| | | 18,247 | 14,255 |
| TOTAL ASSETS | | 33,075 | 27,822 |
| 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 | | 207 | 194 |
| Retained Earnings | | 10,107 | 7,500 |
| | | 27,244 | 24,624 |
| Minority Interest | | - | - |
| Total Equity | | 27,244 | 24,624 |
| Non-current Liabilities | | | |
| Term loan (Repayment more than 1 year) | 26 | 2,073 | 1,329 |
| | | 2,073 | 1,329 |
| Current Liabilities | | | |
| Trade Payables | | 963 | 405 |
| Other Payables | | 2,508 | 1,140 |
| Tax Payables | | - | - |
| Term Loan (Repayment less than 1 year) | 26 | 287 | 324 |
| | | 3,758 | 1,869 |
| Total Liabilities | | 5,831 | 3,198 |
| TOTAL EQUITY AND LIABILITIES | | 33,075 | 27,822 |
| Net Assets Per Share Attributable to Equity of Parent (Sen) | | 17.15 | 15.50 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement of Cash Flow
For The 4th Quarter Ended 31 December 2010
(The figures have not been audited)

| | (Unaudited) 12 Months Ended 31/12/2010 RM'000 | (Audited) 12 Months Ended 31/12/2009 RM'000 |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Net Cash Flows From Operating Activities | 3,992 | 2,594 |
| Net Cash Flows From Investing Activities | (3,763) | (1,350) |
| Net Cash Flows From Financing Activities | 641 | (280) |
| Net Change in Cash & Cash Equivalents | 870 | 964 |
| Cash & Cash Equivalents at Beginning of Financial Period | 10,869 | 9,905 |
| Cash & Cash Equivalent at End of Financial Period | 11,739 | 10,869 |

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010
(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 2009 | 15,884 | 1,046 | 16 | 4,479 | 21,425 | 212 | 21,637 |
| Foreign currency translation Profit/(Loss) for the period | - | - | 178 | - | 178 | - | 178 |
| | - | - | - | 3,021 | 3,021 | - | 3,021 |
| Total recognised income and expense for the period | - | - | 178 | 3,021 | 3,199 | - | 3,199 |
| Acquisition of minority interest | - | - | - | - | - | (1) | (1) |
| Disposal of subsidiary | - | - | - | - | - | (211) | (211) |
| At 31 December 2009 | 15,884 | 1,046 | 194 | 7,500 | 24,624 | - | 24,624 |
| At 1 January 2010 | 15,884 | 1,046 | 194 | 7,500 | 24,624 | - | 24,624 |
| Foreign currency translation Profit/(Loss) for the period | - | - | 13 | - | 13 | - | 13 |
| | - | - | - | 3,163 | 3,163 | - | 3,163 |
| Total recognised income and expense for the period | - | - | 13 | 3,163 | 3,176 | - | 3,176 |
| Dividend Paid | - | - | - | (556) | (556) | - | (556) |
| At 31 December 2010 | 15,884 | 1,046 | 207 | 10,107 | 27,244 | - | 27,244 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2009. 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 2009.

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 2009.

| | |
|----------------------|---------------------------------------------------------------------------------------------------------|
| 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 2009 was not subjected to any audit qualification.

5. Segmental Information

| | Current Qtr Ended 31/12/2010 RM'000 | Comparative Qtr Ended 31/12/2009 RM'000 | Cumulative YTD 31/12/2010 RM'000 | Cumulative YTD 31/12/2009 RM'000 |
|------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Segment Revenue | | | | |
| Investment Holding | 3,050 | 2,470 | 3,005 | 3,670 |
| Contents and Value Added Services | 8,842 | 6,941 | 29,649 | 22,685 |
| Total revenue including inter-segment sales | 11,892 | 9,411 | 32,654 | 26,355 |
| Elimination of inter-segment sales | (3,232) | (2,658) | (3,725) | (4,020) |
| Total revenue | 8,660 | 6,753 | 28,929 | 22,335 |
| Segment Result | | | | |
| Investment Holding | 2,590 | 1,606 | 970 | 1,637 |
| Contents and Value Added Services | 239 | 1,331 | 4,083 | 5,077 |
| Eliminations | 2,829 (1,890) | 2,937 (2,470) | 5,053 (1,890) | 6,714 (3,670) |
| Total results | 939 | 467 | 3,163 | 3,044 |

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 2010 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 2010 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

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 RM6,753,000 to RM8,660,000. whereas, the profits attributable to shareholders has increased by RM472,000 to RM939,000 as compared to previous year's corresponding quarter of RM467,000. The increase in revenue was mainly due to strategic directions set by the Management in leveraging our strong execution capabilities and providing a wide premium portfolio of media assets (content) to increase user' value and loyalty to our services.

19. Comments on Material Change in Profit Before Taxation

| | Qtr Ended 31/12/2010 RM'000 | Qtr Ended 30/09/2010 RM'000 | % Changes |
|----------------------------|-----------------------------------|-----------------------------------|-----------|
| Turnover | 8,660 | 7,580 | 14.2% |
| Net Profit Before Taxation | 1,013 | 917 | 10.5% |

The Group's turnover increased by 14.2% as compared to the previous quarter. The Group's net profit before taxation for the current quarter under review has increased by 10.5% due to higher revenue 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

| | Current Qtr Ended 31/12/2010 RM'000 | Cumulative YTD 31/12/2010 RM'000 |
|--------------|----------------------------------------------|-------------------------------------------|
| Current Tax | 4 | 22 |
| Deferred Tax | 70 | 70 |
| | 74 | 92 |

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 16 April 2010, 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 04 June 2010. 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 31 December 2010 as follows:-

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|-----------|----------------------|---------------------|-----------------|
| Secured | 287 | 2,073 | 2,360 |
| Unsecured | - | - | - |
| | <u>287</u> | <u>2,073</u> | <u>2,360</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. Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.07 and 2.23 of Bursa Malaysia ACE Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclose and the format period.

The breakdown of retained profits of the Group and the Company as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

| | Group 31 December 2010 RM'000 | Group 30 September 2010 RM'000 |
|------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
| Total retained profits of M-Mode Berhad and it's subsidiaries: | | |
| - Realised | 9,687 | 8,678 |
| - Unrealised - in respect of deferred tax recognised in the income statement | 420 | 490 |
| - in respect of other items of income and expense | - | - |
| Total Group retained profits as per consolidated accounts | <u>10,107</u> | <u>9,168</u> |

The determination of realised and unrealised profits is based on the Guidedance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised profits of the Group and the Company as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group and the Company, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

30. Dividends Payable

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

31. 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 31/12/2010 | Comparative Qtr Ended 31/12/2009 | Cumulative YTD 31/12/2010 | Cumulative YTD 31/12/2009 |
|-----------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------------------|
| Profit attributable to ordinary equity holders of the parent (RM'000) | 939 | 467 | 3,163 | 3,044 |
| 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) | 0.59 | 0.29 | 1.99 | 1.92 |

(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 31/12/2010 | Comparative Qtr Ended 31/12/2009 | Cumulative YTD 31/12/2010 | Cumulative YTD 31/12/2009 |
|---------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------------------|
| Profit attributable to ordinary equity holders of the parent (RM'000) | 939 | 467 | 3,163 | 3,044 |
| 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 | 336,284 | - | 336,284 | - |
| Adjusted weighted average number of ordinary shares in issue and issuable | 159,176,784 | 158,840,500 | 159,176,784 | 158,840,500 |
| Diluted earnings per share (sen) | 0.59 | 0.29 | 1.99 | 1.92 |

32. 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 17 February 2011.