

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Comprehensive Income
For The 1st Quarter Ended 31 March 2011
(The figures have not been audited)

	Note	(Unaudited) Current Qtr Ended 31/03/2011 RM'000	(Unaudited) Comparative Qtr Ended 31/03/2010 RM'000	(Unaudited) Cumulative YTD 31/03/2011 RM'000	(Unaudited) Cumulative YTD 31/03/2010 RM'000
Revenue	5	17,802	6,008	17,802	6,008
Cost of Sales		(9,469)	(3,259)	(9,469)	(3,259)
Gross Profits		8,333	2,749	8,333	2,749
Other Income		106	53	106	53
Other Expenses		-	-	-	-
Administrative Expenses		(2,322)	(1,294)	(2,322)	(1,294)
Selling and Distribution Expenses		(2,971)	(759)	(2,971)	(759)
Finance Costs		(14)	(17)	(14)	(17)
Profit Before Tax		3,132	732	3,132	732
Income Tax Expense	22	-	-	-	-
Profit for the period		3,132	732	3,132	732
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		3,132	732	3,132	732
Attributable to:					
Equity Holders of the Parent		3,132	732	3,132	732
Minority Interest		-	-	-	-
		3,132	732	3,132	732
Earnings per Share Attributable to Equity Holders of the Parent:					
- Basic (Sen)	31	1.97	0.46	1.97	0.46
- Diluted (Sen)	31	1.96	0.46	1.96	0.46

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 2011

	Note	(Unaudited) As At 31/03/2011 RM'000	(Audited) As At 31/12/2010 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	10	5,087	4,862
Intangible Assets		6,032	6,032
Deferred Development Cost		3,858	3,747
Deferred Tax Assets		477	477
		15,454	15,118
Current Assets			
Inventory		323	282
Trade Receivables		4,610	4,610
Other Receivables		8,157	1,546
Cash and Cash Equivalents		9,728	11,739
		22,818	18,177
TOTAL ASSETS		38,272	33,295
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	207
Retained Earnings		13,501	10,369
		30,638	27,506
Minority Interest		-	-
Total Equity		30,638	27,506
Non-current Liabilities			
Term loan (Repayment more than 1 year)	26	2,043	2,116
		2,043	2,116
Current Liabilities			
Trade Payables		676	1,302
Other Payables		4,656	2,112
Tax Payables		-	-
Term Loan (Repayment less than 1 year)	26	259	259
		5,591	3,673
Total Liabilities		7,634	5,789
TOTAL EQUITY AND LIABILITIES		38,272	33,295
Net Assets Per Share Attributable to Equity Holders of the Parent (Sen)		19.29	17.32

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 1st Quarter Ended 31 March 2011
(The figures have not been audited)

	(Unaudited) 3 Months Ended 31/03/2011 RM'000	(Audited) 3 Months Ended 31/03/2010 RM'000
Net Cash Flows From Operating Activities	(868)	657
Net Cash Flows From Investing Activities	(1,056)	(376)
Net Cash Flows From Financing Activities	(87)	(105)
Net Change in Cash & Cash Equivalents	(2,011)	176
Cash & Cash Equivalents at Beginning of Financial Period	11,739	10,869
Cash & Cash Equivalent at End of Financial Period	9,728	11,045

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement of Changes in Equity
For The 1st Quarter Ended 31 March 2011
(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 --->		Distributable Retained Earnings RM'000			
		Share Premium RM'000	Other Reserves RM'000				
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
	-	-	-	3,425	3,425	-	3,425
Total recognised income and expense for the period	-	-	13	3,425	3,438	-	3,438
Dividend Paid	-	-	-	(556)	(556)	-	(556)
At 31 December 2010	15,884	1,046	207	10,369	27,506	-	27,506
At 1 January 2011	15,884	1,046	207	10,369	27,506	-	27,506
Foreign currency translation Profit/(Loss) for the period	-	-	-	-	-	-	-
	-	-	-	3,132	3,132	-	3,132
Total recognised income and expense for the period	-	-	-	3,132	3,132	-	3,132
Dividend Paid	-	-	-	-	-	-	-
At 31 March 2011	15,884	1,046	207	13,501	30,638	-	30,638

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to FRS 134 - 31 March 2011

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 2010. 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 2010.

2. Changes in Accounting Policies

Save as disclosed below, significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 December 2010, except with the adoption of the following Financial Reporting Standards ("FRS"), Issue Committee ("IC") Interpretations and Amendments to FRS:

		Effective Date
Amendment to FRS 132	Financial Instruments:Presentation - Classification of Rights Issues	1 March 2010
FRS 1	First-time Adoption of Financial Reporting Standards (revised)	1 July 2010
FRS 3	Business Combinations (revised)	1 July 2010
FRS 127	Consolidated and Separate Financial Statements (revised)	1 July 2010
Amendment to FRS 2	Share-based Payment	1 July 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendment to FRS 138	Intangible Assets	1 July 2010
IC Interpretation 12	Service Concession Agreements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards (revised) - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters	1 January 2011
Amendment to FRS 2	Group Cash-settled Share Based Payment Transactions	1 January 2011
Amendment to FRS 7	Financial Instruments:Disclosures - Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4	Determining whether an Agreement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011
Improvement to FRSs (2010)		1 January 2011

The adoption of the above FRSs, IC Interpretations and Amendments do not have any material impact on the financial statements of the Group.

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 2010 was not subjected to any audit qualification.

5. Segmental Information

	Current Qtr Ended 31/03/2011 RM'000	Comparative Qtr Ended 31/03/2010 RM'000	Cumulative YTD 31/03/2011 RM'000	Cumulative YTD 31/03/2010 RM'000
Segment Revenue				
Investment Holding	(15)	(15)	(15)	(15)
Contents and Value Added Services	19,334	6,176	19,334	6,176
Total revenue including inter-segment sales	19,319	6,161	19,319	6,161
Elimination of inter-segment sales	(1,517)	(153)	(1,517)	(153)
Total revenue	17,802	6,008	17,802	6,008
Segment Result				
Investment Holding	(818)	(486)	(818)	(486)
Contents and Value Added Services	3,950	1,218	3,950	1,218
Eliminations	3,132	732	3,132	732
Total results	-	-	-	-
	3,132	732	3,132	732

- 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 March 2011 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 March 2011 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 impressive increase in revenue as compared to the previous year's corresponding quarter from RM6,008,000 to RM17,802,000. whereas, the profits attributable to shareholders has increased by RM2,400,000 to RM3,132,000 as compared to previous year's corresponding quarter of RM732,000. The increase in revenue was mainly due to new strategic directions set by the Management in leveraging our strong execution capabilities and providing a wider premium portfolio of media assets 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 31/12/2010 RM'000	% Changes
Turnover	17,802	8,938	99.2%
Net Profit Before Taxation	3,132	1,391	125.2%

The Group's turnover increased by 99.2% as compared to the previous quarter. The Group's net profit before taxation for the current quarter under review has increased by 125.2% due to higher revenue achieved in this quarter.

20. Current Year Prospects

The Board is expecting a challenging year ahead for the Technology, Media, Telecommunications ("TMT") industry. The Group is continuing to enrich and enhance quality of content libraries and media 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 media services and its venture into the "TMT" market.

21. Variance of Profit Forecast

Not Applicable.

22. Income Tax Expense

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.

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 14 April 2011, 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 16 June 2011. 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 March 2011 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	259	2,043	2,302
Unsecured	-	-	-
	<u>259</u>	<u>2,043</u>	<u>2,302</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 March 2011 RM'000	Group 31 December 2010 RM'000
Total retained profits of M-Mode Berhad and it's subsidiaries:		
- Realised	13,024	9,892
- Unrealised - in respect of deferred tax recognised in the income statement	477	477
- in respect of other items of income and expense	-	-
Total Group retained profits as per consolidated accounts	13,501	10,369

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 31/03/2011	Comparative Qtr Ended 31/03/2010	Cumulative YTD 31/03/2011	Cumulative YTD 31/03/2010
Profit attributable to ordinary equity holders of the parent (RM'000)	3,132	732	3,132	732
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)	1.97	0.46	1.97	0.46

Earnings Per Share (EPS)

(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 31/03/2011	Comparative Qtr Ended 31/03/2010	Cumulative YTD 31/03/2011	Cumulative YTD 31/03/2010
Profit attributable to ordinary equity holders of the parent (RM'000)	3,132	732	3,132	732
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	578,089	591,767	578,089	591,767
Adjusted weighted average number of ordinary shares in issue and issuable	159,418,589	159,432,267	159,418,589	159,432,267
Diluted earnings per share (sen)	1.96	0.46	1.96	0.46

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 12 May 2011.