

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Comprehensive Income
For The 4th Quarter Ended 31 Dec 2011
(The figures have not been audited)

	Note	Unaudited Current Qtr Ended 31/12/2011 RM'000	Unaudited Comparative Qtr Ended 31/12/2010 RM'000	Unaudited Cumulative YTD 31/12/2011 RM'000	Audited Cumulative YTD 31/12/2010 RM'000
Revenue	5	17,707	8,938	75,403	29,207
Cost of Sales		(12,364)	(4,942)	(45,644)	(16,300)
Gross Profits		5,343	3,996	29,759	12,907
Interest Income		115	60	268	219
Other Income		-	-	50	-
Other Expenses		-	-	-	-
Operating Expenditure		(2,428)	(2,335)	(15,547)	(8,535)
Depreciation and Amortisation		(527)	(223)	(1,203)	(702)
Provision for and write off Receivables		(331)	(51)	(331)	(140)
Provision for and write off of Inventories		(275)	(26)	(275)	(36)
Loss on discontinued Operations		-	(190)	-	(190)
Selling and Distribution Expenses		-	-	-	-
Finance Costs		(16)	(30)	(72)	(80)
Profit Before Tax		1,881	1,201	12,649	3,443
Income Tax Expense	22	-	-	-	(18)
Profit for the period		1,881	1,201	12,649	3,425
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,881	1,201	12,649	3,425
Attributable to:					
Equity Holders of the Parent		1,881	1,201	12,649	3,425
Minority Interest		-	-	-	-
		1,881	1,201	12,649	3,425
Earnings per Share Attributable to Equity Holders of the Parent:					
- Basic (Sen)	28	1.16	0.76	7.77	2.16
- Diluted (Sen)	28	1.16	0.75	7.77	2.15

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 Dec 2011

	Note	(Unaudited) As At 31/12/2011 RM'000	(Audited) As At 31/12/2010 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	10	7,051	4,862
Intangible Assets		6,032	6,032
Deferred Development Cost		4,243	3,747
Deferred Tax Assets		477	477
		17,803	15,118
Current Assets			
Inventory		168	282
Trade Receivables		6,534	4,610
Other Receivables		378	1,546
Cash and Cash Equivalents		23,143	11,739
		30,223	18,177
TOTAL ASSETS		48,026	33,295
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Share Capital		16,271	15,884
Share Premium		1,053	1,046
Other Reserves		204	207
Retained Earnings		22,383	10,369
		39,911	27,506
Minority Interest		-	-
Total Equity		39,911	27,506
Non-current Liabilities			
Term loan (Repayment more than 1 year)	24	2,648	2,116
		2,648	2,116
Current Liabilities			
Trade Payables		2,602	1,302
Other Payables		2,389	2,112
Tax Payables		-	-
Term Loan (Repayment less than 1 year)	24	476	259
		5,467	3,673
Total Liabilities		8,115	5,789
TOTAL EQUITY AND LIABILITIES		48,026	33,295
Net Assets Per Share Attributable to Equity Holders of the Parent (Sen)		24.53	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 4th Quarter Ended 31 Dec 2011
(The figures have not been audited)

	(Unaudited) 12 Months Ended 31/12/2011 RM'000	(Audited) 12 Months Ended 31/12/2010 RM'000
Profit Before Taxation		
- Continuing operations	12,649	3,633
Adjustment for:		
Depreciation and Amortization	1,203	702
Foreign currency translation	(3)	(1)
Interest Income	(268)	(219)
Interest Expenses	72	80
Impairment loss on trade and other receivables	331	162
Inventories written off	275	-
Loss/(gain) on disposal of property, plant and equipment	(50)	1
Operating profit before working capital changes	14,209	4,358
Inventories	(161)	(102)
Receivables	(1,063)	(3,110)
Payables	1,577	1,870
Cash generated from operations	14,562	3,016
Interest Income	268	219
Interest Paid	(72)	(80)
Tax Paid	(12)	(20)
Net cash generated from operating activities	14,746	3,135
Cash flows from investing activities		
Write off an investment in subsidiary	-	(4)
Purchase of property, plant and equipment	(2,792)	(1,889)
Purchase of intangible assets	(1,108)	(539)
Proceeds from disposal of property, plant and equipment	50	1
	(3,850)	(2,431)
Cash flows from financing activities		
Issue Ordinary Share	394	-
Payment of dividends	(635)	(556)
Proceeds from drawdown of term loan	1,031	1,077
Repayment of loans and borrowings	(282)	(355)
	508	166
Net increase in cash and cash equivalents	11,404	870
cash and cash equivalents at beginning of year	11,739	10,869
	<u>23,143</u>	<u>11,739</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and Cash Equivalents	23,143	11,739
	<u>23,143</u>	<u>11,739</u>

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 4th Quarter Ended 31 Dec 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 ---> Share Premium RM'000	Other Reserves RM'000	Distributable Retained Earnings 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)	-	(3)	-	(3)
	-	-	-	12,649	12,649	-	12,649
Total recognised income and expense for the period	-	-	(3)	12,649	12,646	-	12,646
Disposal of subsidiary	-	-	-	-	-	-	-
Issue of ordinary shares:- exercise of ESOS options	387	7	-	-	394	-	394
Dividend Paid	-	-	-	(635)	(635)	-	(635)
At 31 December 2011	16,271	1,053	204	22,383	39,911	-	39,911

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 December 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 1	First-time Adoption of Financial Reporting Standards (revised) - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendment to FRS 2	- Additional Exemptions for First-time Adopters 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

	Contents & value added services RM'000	Contents & value added services (Discontinued) RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000	(Less)/Add: Contents & value added services (Discontinued) RM'000	Total RM'000
Current Quarter							
Total external revenue	17,707	-	-	-	17,707	-	17,707
Inter-segment revenue	3,898	-	7,472	(11,370)	-	-	-
Total segment revenue	21,605	-	7,472	(11,370)	17,707	-	17,707
Segment results	(230)	-	5,927	(3,800)	1,897	-	1,897
Finance Cost					(16)	-	(16)
Profit before taxation					1,881	-	1,881
Taxation					-	-	-
Loss on discontinued operations, net of tax					-	-	-
Net Profit after taxation					1,881	-	1,881

5. Segmental Information (continued)

	Contents & value added services RM'000	Contents & value added services (Discontinued) RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000	(Less)/Add: Contents & value added services (Discontinued) RM'000	Total RM'000
Full Year 2011							
Total external revenue	75,403	-	-	-	75,403	-	75,403
Inter-segment revenue	9,454	-	7,427	(16,881)	-	-	-
Total segment revenue	84,857	-	7,427	(16,881)	75,403	-	75,403
Segment results	12,713	-	3,808	(3,800)	12,721	-	12,721
Finance Cost					(72)	-	(72)
Profit before taxation					12,649	-	12,649
Taxation					-	-	-
Loss on discontinued operations, net of tax					-	-	-
Net Profit after taxation					12,649	-	12,649

	Contents & value added services RM'000	Contents & value added services (Discontinued) RM'000	Investment holding RM'000	Elimination RM'000	Consolidated RM'000
Full Year 2011					
Total segment assets	28,717	0	24,188	(4,879)	48,026
Total segment liabilities	10,163	0	2,039	(4,087)	8,115
Depreciation and amortisation	1,156	0	47	0	1,203
Non-cash expenses other than depreciation and amortisation	558	0	0	0	558

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 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 December 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

The Board has declared a First and Final Tax Exempt Dividend of 0.40 sen per ordinary share in respect of the financial year ended 31 December 2010. The said dividend was paid on 15 July 2011.

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 RM8,938,000 to RM17,707,000 whereas, the profits attributable to shareholders has increased by RM680,000 to RM1,881,000 as compared to previous year's corresponding quarter of RM1,201,000. The improved performance in revenue and profitability was mainly due to higher contribution from the Group's on-going sales as a result of increased number of subscribers, and contribution from the provision of video and mobile TV service, a newly launched service during the year. The Group's effective marketing strategy in providing a wider premium portfolio of media assets to increase user' value and loyalty, has successfully created a substantial increase in subscribers and diversified its services into video and mobile TV market.

19. Comments on Material Change in Profit Before Taxation

	Qtr Ended 31/12/2011 RM'000	Qtr Ended 30/09/2011 RM'000	% Changes
Turnover	17,707	17,610	0.6%
Net Profit Before Taxation	1,881	3,913	-51.9%

The Group's turnover Increased by 0.6% as compared to the previous quarter. The Group's net profit before taxation for the current quarter under review has Decreased by 51.9% due to higher expenses incurred in this quarter.

20. Current Year Prospects

The Group is expecting to face a more competitive market within Technology, Media and Telecommunications ("TMT") industry. However, the Group will continuing to enrich and enhance the quality of content libraries and its media-related services in order to meet its subscribers' increased demand and to increase its market base in the industry. Besides that, the Group will continue to monitor closely its business development plan and revise accordingly to adapt to the constant changes of the industry, and continue to invest in the R&D for new products & services. Furthermore, the Group has also taken steps to implement stringent cost control in order to achieve greater operational efficiency and effectiveness. The Board expects the Group to continue enjoying higher future earnings in view of its continuous efforts in enhancing its mobile media services and video and mobile TV services.

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. Status of Corporate Proposals

Bursa Malaysia Securities Ber Had had, vide its letter dated 21 December 2011, granted the Company an extension of time of six (6) months until 22 June 2012 to complete the proposed private placement of up to 16,270,950 ordinary shares of RM0.10 each in the Company, representing not more than ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Private Placement"). As as the date of this report, the Proposed Private Placement has not been completed.

24. Group Borrowings and Debt Securities

The Group borrowings were denominated in Ringgit Malaysia as at 31 Dec 2011 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	476	2,648	3,124
Unsecured	-	-	-
	<u>476</u>	<u>2,648</u>	<u>3,124</u>

25. Material Litigation

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

26. 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 2011 RM'000	Group 31 December 2010 RM'000
Total retained profits of M-Mode Berhad and it's subsidiaries:		
- Realised	21,906	9,892
- Unrealised	477	477
- in respect of deferred tax recognised in the income statement	-	-
- in respect of other items of income and expense	-	-
Total Group retained profits as per consolidated accounts	<u>22,383</u>	<u>10,369</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.

27. Dividends Payable

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

28. 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 31/12/2011	Comparative Qtr Ended 31/12/2010	Cumulative YTD 31/12/2011	Cumulative YTD 31/12/2010
Profit attributable to ordinary equity holders of the parent (RM'000)	1,881	1,201	12,649	3,425
Weighted average number of ordinary shares in issue	162,709,500	158,840,500	162,709,500	158,840,500
Basic earnings per share (sen)	1.16	0.76	7.77	2.16

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 31/12/2011	Comparative Qtr Ended 31/12/2010	Cumulative YTD 31/12/2011	Cumulative YTD 31/12/2010
Profit attributable to ordinary equity holders of the parent (RM'000)	1,881	1,201	12,649	3,425
Weighted average number of ordinary shares in issue	162,709,500	158,840,500	162,709,500	158,840,500
Effects of dilution: Share options	-	425,759	-	425,759
Adjusted weighted average number of ordinary shares in issue and issuable	162,709,500	159,266,259	162,709,500	159,266,259
Diluted earnings per share (sen)	1.16	0.75	7.77	2.15

29. 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 2012.