

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Statement Of Comprehensive Income  
For The 1st Quarter Ended 31 March 2013  
(The figures have not been audited)

	Note	Unaudited Current Qtr Ended 31/3/2013 RM'000	Unaudited Comparative Qtr Ended 31/3/2012 RM'000	Unaudited Cumulative YTD 31/3/2013 RM'000	Unaudited Cumulative YTD 31/3/2012 RM'000
Revenue	5	14,956	16,889	14,956	16,889
Cost of Sales		(9,667)	(9,544)	(9,667)	(9,544)
<b>Gross Profits</b>		<b>5,289</b>	<b>7,345</b>	<b>5,289</b>	<b>7,345</b>
Interest Income		188	148	188	148
Gain on disposal of property, plant and equipment		6	-	6	-
Operating Expenditure		(2,085)	(3,789)	(2,085)	(3,789)
Depreciation and Amortisation		(404)	(342)	(404)	(342)
Allowance for and write off of Fixed Assets		(3)	-	(3)	-
Finance Costs		(13)	(15)	(13)	(15)
<b>Profit Before Tax</b>		<b>2,978</b>	<b>3,347</b>	<b>2,978</b>	<b>3,347</b>
Income Tax Expense	22	-	-	-	-
<b>Profit for the period</b>		<b>2,978</b>	<b>3,347</b>	<b>2,978</b>	<b>3,347</b>
Other comprehensive income, net of tax		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>2,978</b>	<b>3,347</b>	<b>2,978</b>	<b>3,347</b>
Attributable to:					
Equity Holders of the Parent		2,978	3,347	2,978	3,347
Minority Interest		-	-	-	-
		<b>2,978</b>	<b>3,347</b>	<b>2,978</b>	<b>3,347</b>
<b>Earnings per Share Attributable to Equity Holders of the Parent:</b>					
- Basic (Sen)	28	1.83	2.06	1.83	2.06
- Diluted (Sen)	28	1.83	2.06	1.83	2.06

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013

	Note	(Unaudited) As At 31/3/2013 RM'000	(Audited) As At 31/12/2012 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	10	7,546	7,655
Intangible Assets		6,031	6,031
Deferred Development Cost		5,046	4,801
Deferred Tax Assets		410	410
		19,033	18,897
<b>Current Assets</b>			
Trade Receivables		7,749	6,057
Other Receivables		377	338
Cash and Cash Equivalents		31,692	33,577
		39,818	39,972
		<b>58,851</b>	<b>58,869</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Equity Holders of the Parent</b>			
Share Capital		16,271	16,271
Share Premium		1,254	1,254
Other Reserves		13	5
Retained Earnings		36,216	33,238
		53,754	50,768
<b>Minority Interest</b>		-	-
<b>Total Equity</b>		53,754	50,768
<b>Non-current Liabilities</b>			
Term loan (Repayment more than 1 year)	24	2,219	2,325
		2,219	2,325
<b>Current Liabilities</b>			
Trade Payables		650	1,933
Other Payables		1,847	3,462
Tax Payables		-	-
Term Loan (Repayment less than 1 year)	24	381	381
		2,878	5,776
<b>Total Liabilities</b>		5,097	8,101
		<b>58,851</b>	<b>58,869</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
Net Assets Per Share Attributable to Equity Holders of the Parent (Sen)		33.04	31.20

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013  
(The figures have not been audited)

	<b>(Unaudited)</b> <b>3 Months</b> <b>Ended</b> <b>31/3/2013</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>3 Months</b> <b>Ended</b> <b>31/3/2012</b> <b>RM'000</b>
Profit Before Taxation		
- Continuing operations	2,978	3,347
Adjustments for:		
Depreciation and Amortization	404	342
Interest Income	(188)	(148)
Interest Expenses	13	15
Property, plant and equipment written off	3	-
Loss/(gain) on disposal of property, plant and equipment	(6)	2
	<u>3,204</u>	<u>3,558</u>
Operating profit before working capital changes		
Inventories	-	10
Receivables	(1,706)	(162)
Payables	(1,271)	(309)
	<u>227</u>	<u>3,097</u>
Cash generated from operations		
Interest Income	188	148
Interest Paid	(13)	(15)
Tax Paid	(22)	(3)
	<u>380</u>	<u>3,227</u>
Net cash generated from operating activities		
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(176)	(290)
Purchase of intangible assets	(399)	(1,118)
Proceeds from disposal of property, plant and equipment	43	-
	<u>(532)</u>	<u>(1,408)</u>
<b>Cash flows from financing activities</b>		
Payment of dividends	(1,627)	-
Proceeds from drawdown of term loan	-	-
Repayment of loans and borrowings	(106)	(104)
	<u>(1,733)</u>	<u>(104)</u>
Net increase in cash and cash equivalents	(1,885)	1,715
Cash and cash equivalents at beginning of year	<u>33,577</u>	<u>23,161</u>
	<u>31,692</u>	<u>24,876</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and Cash Equivalents	31,692	24,876
	<u>31,692</u>	<u>24,876</u>

**The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013  
(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 2012</b>	16,271	1,254	3	22,601	40,129	-	40,129
Foreign currency translation Profit/(Loss) for the period	-	-	2	-	2	-	2
Total recognised income and expense for the period	-	-	-	13,078	13,078	-	13,078
Dividend Paid	-	-	-	(2,441)	(2,441)	-	(2,441)
<b>At 31 December 2012</b>	<b>16,271</b>	<b>1,254</b>	<b>5</b>	<b>33,238</b>	<b>50,768</b>	<b>-</b>	<b>50,768</b>
<b>At 1 January 2013</b>	16,271	1,254	5	33,238	50,768	-	50,768
Foreign currency translation Profit/(Loss) for the period	-	-	8	-	8	-	8
Total recognised income and expense for the period	-	-	-	2,978	2,978	-	2,978
Dividend Paid	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>16,271</b>	<b>1,254</b>	<b>13</b>	<b>36,216</b>	<b>53,754</b>	<b>-</b>	<b>53,754</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying notes attached to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134 - 31 March 2013

1. **Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting in Malaysia and with IAS 34, Interim Financial Reporting, and Paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012, The consolidated financial statements of the Group as at and for the year ended 31 December 2012 were prepared in accordance with Financial Reporting Standards ("FRS").

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

2. **Changes in Accounting Policies**

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group during the current period:

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendment to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time adopters
Amendment to MFRS 7	Disclosures - Transfers of Financial Assets
Amendment to MFRS 112	Deferred tax : Recovery of Underlying Assets

The adoption of the IC Interpretation and Amendments to MFRSs above did not have any financial impact on the Group as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

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 2012 was not subjected to any audit qualification.

5. **Segmental Information**

Period ended 31 Mar 2013	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000	(Less)/Add: Contents & value added services (Discontinued) RM'000	Total RM'000
Total external revenue	14,956	-	-	14,956	-	14,956
Inter-segment revenue	1,529	0	(1,529)	-	-	-
<b>Total segment revenue</b>	<b>16,485</b>	<b>0</b>	<b>(1,529)</b>	<b>14,956</b>	<b>-</b>	<b>14,956</b>
<b>Segment results</b>	<b>3,616</b>	<b>(625)</b>	<b>0</b>	<b>2,991</b>	<b>-</b>	<b>2,991</b>
Finance Cost				(13)	-	(13)
Profit before taxation				2,978	-	2,978
Taxation				-	-	-
Loss on discontinued operations, net of tax				-	-	-
<b>Net Profit after taxation</b>				<b>2,978</b>	<b>-</b>	<b>2,978</b>

Period ended 31 Mar 2012	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000	(Less)/Add: Contents & value added services (Discontinued) RM'000	Total RM'000
Total external revenue	16,889	-	-	16,889	-	16,889
Inter-segment revenue	2,266	(15)	(2,251)	-	-	-
<b>Total segment revenue</b>	<b>19,155</b>	<b>(15)</b>	<b>(2,251)</b>	<b>16,889</b>	<b>-</b>	<b>16,889</b>
<b>Segment results</b>	<b>3,915</b>	<b>(553)</b>	<b>0</b>	<b>3,362</b>	<b>-</b>	<b>3,362</b>
Finance Cost				(15)	-	(15)
Profit before taxation				3,347	-	3,347
Taxation				-	-	-
Loss on discontinued operations, net of tax				-	-	-
<b>Net Profit after taxation</b>				<b>3,347</b>	<b>-</b>	<b>3,347</b>

**5. Segmental Information (continued)**

<b>As at 31 Mar 2013</b>	<b>Contents &amp; value added services RM'000</b>	<b>Contents &amp; value added services (Discontinued) RM'000</b>	<b>Investment holding RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
Total segment assets	35,672	0	27,587	(4,408)	58,851
Total segment liabilities	7,551	0	1,228	(3,682)	5,097
Depreciation and amortisation	380	0	24	0	404
Non-cash expenses other than depreciation and amortisation	0	0	0	0	0

**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 Mar 2013 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 Mar 2013 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 Interim Tax Exempt Dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2012. The said dividend was paid on 15 January 2013.

**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 Management managed to strengthen its cost control mechanism which reduce its total expenses significantly from RM13,690,000 to RM12,172,000. The rigorous cost discipline successfully maintained the net profit margin as compared to previous year's corresponding quarter even though the Group revenue declined from RM16,889,000 to RM14,956,000 as compared to the previous year's corresponding quarter. This is a great achievement in respect of the resources utilisation and operating efficiency.

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

	<b>Qtr Ended 31/3/2013 RM'000</b>	<b>Qtr Ended 31/12/2012 RM'000</b>	<b>% Changes</b>
Turnover	14,956	14,932	0.2%
Net Profit Before Taxation	2,978	2,895	2.9%

The Group's turnover increased by 0.2% as compared to the previous quarter. The Group's net profit before taxation for the current quarter under review has increased by 2.9%.

**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 continue 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 share 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.

**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 and the tax charges will be immaterial, if any.

**23. Status of Corporate Proposals**

Bursa Malaysia Securities Berhad 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").

On 22 June 2012, it was announced that the Company has decided not to proceed with the Proposed Private Placement. No ordinary shares of RM0.10 each in the Company was issued pursuant to the Proposed Private Placement.

**24. Group Borrowings and Debt Securities**

The Group borrowings were denominated in Ringgit Malaysia as at 31 Dec 2012 as follows:-

	<b>Short Term RM'000</b>	<b>Long Term RM'000</b>	<b>Total RM'000</b>
Secured	381	2,219	2,600
Unsecured	-	-	-
	<u>381</u>	<u>2,219</u>	<u>2,600</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 disclosure and the format period.

**26. Realised and Unrealised Profits (continued)**

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 2013 RM'000	Group 31 December 2012 RM'000
Total retained profits of M-Mode Berhad and it's subsidiaries:		
- Realised	35,806	32,828
- Unrealised		
- in respect of deferred tax recognised in the income statement	410	410
- in respect of other items of income and expense	-	-
Total Group retained profits as per consolidated accounts	36,216	33,238

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 share options.

	Current Qtr Ended 31/3/2013	Comparative Qtr Ended 31/3/2012	Cumulative YTD 31/3/2013	Cumulative YTD 31/3/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	2,978	3,347	2,978	3,347
Weighted average number of ordinary shares in issue	162,709,500	162,709,500	162,709,500	162,709,500
Basic earnings per share (sen)	1.83	2.06	1.83	2.06

**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 31/3/2013	Comparative Qtr Ended 31/3/2012	Cumulative YTD 31/3/2013	Cumulative YTD 31/3/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	2,978	3,347	2,978	3,347
Weighted average number of ordinary shares in issue	162,709,500	162,709,500	162,709,500	162,709,500
Effects of dilution: Share options	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	162,709,500	162,709,500	162,709,500	162,709,500
Diluted earnings per share (sen)	1.83	2.06	1.83	2.06

**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 May 2013.