

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Comprehensive Income
For The 2nd Quarter Ended 30 June 2013
(The figures have not been audited)

	Note	Unaudited Current Qtr Ended 30/6/2013 RM'000	Unaudited Comparative Qtr Ended 30/6/2012 RM'000	Unaudited Cumulative YTD 30/6/2013 RM'000	Unaudited Cumulative YTD 30/6/2012 RM'000
Revenue	5	18,249	15,266	33,205	32,155
Cost of Sales		(11,409)	(9,412)	(21,076)	(18,956)
Gross Profits		6,840	5,854	12,129	13,199
Interest Income		220	170	408	318
Gain on disposal of property, plant and equipment		-	-	6	-
Operating Expenditure		(2,368)	(2,265)	(4,453)	(6,054)
Depreciation and Amortisation		(427)	(359)	(831)	(701)
Allowance for and write off of Fixed Assets		-	-	(3)	-
Finance Costs		(13)	(15)	(26)	(30)
Profit Before Tax		4,252	3,385	7,230	6,732
Income Tax Expense	22	-	-	-	-
Profit for the period		4,252	3,385	7,230	6,732
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		4,252	3,385	7,230	6,732
Attributable to:					
Equity Holders of the Parent		4,252	3,385	7,230	6,732
Minority Interest		-	-	-	-
		4,252	3,385	7,230	6,732
Earnings per Share Attributable to Equity Holders of the Parent:					
- Basic (Sen)	28	2.61	2.08	4.44	4.14
- Diluted (Sen)	28	2.61	2.08	4.44	4.14

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 30 June 2013

	Note	(Unaudited) As At 30/6/2013 RM'000	(Audited) As At 31/12/2012 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	10	7,678	7,655
Intangible Assets		6,031	6,031
Deferred Development Cost		5,159	4,801
Deferred Tax Assets		410	410
		19,278	18,897
Current Assets			
Trade Receivables		8,326	6,057
Other Receivables		427	338
Cash and Cash Equivalents		36,332	33,577
		45,085	39,972
TOTAL ASSETS		64,363	58,869
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent			
Share Capital		16,271	16,271
Share Premium		1,254	1,254
Other Reserves		13	5
Retained Earnings		40,468	33,238
		58,006	50,768
Minority Interest		-	-
Total Equity		58,006	50,768
Non-current Liabilities			
Term loan (Repayment more than 1 year)	24	2,113	2,325
		2,113	2,325
Current Liabilities			
Trade Payables		1,202	1,933
Other Payables		2,661	3,462
Tax Payables		-	-
Term Loan (Repayment less than 1 year)	24	381	381
		4,244	5,776
Total Liabilities		6,357	8,101
TOTAL EQUITY AND LIABILITIES		64,363	58,869
Net Assets Per Share Attributable to Equity Holders of the Parent (Sen)		35.65	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 2nd Quarter Ended 30 June 2013
(The figures have not been audited)

	(Unaudited) 6 Months Ended 30/6/2013 RM'000	(Unaudited) 6 Months Ended 30/6/2012 RM'000
Profit Before Taxation		
- Continuing operations	7,230	6,732
Adjustments for:		
Depreciation and Amortization	831	701
Interest Income	(408)	(318)
Interest Expenses	26	30
Property, plant and equipment written off	3	-
Loss/(gain) on disposal of property, plant and equipment	(6)	2
	<u>7,676</u>	<u>7,147</u>
Operating profit before working capital changes	7,676	7,147
Inventories	-	(47)
Receivables	(2,333)	1,135
Payables	95	(2,610)
	<u>5,438</u>	<u>5,625</u>
Cash generated from operations	5,438	5,625
Interest Income	408	318
Interest Paid	(26)	(30)
Tax Paid	(41)	(7)
	<u>5,779</u>	<u>5,906</u>
Net cash generated from operating activities	5,779	5,906
Cash flows from investing activities		
Purchase of property, plant and equipment	(551)	(721)
Purchase of intangible assets	(677)	(766)
Proceeds from disposal of property, plant and equipment	43	-
	<u>(1,185)</u>	<u>(1,487)</u>
Cash flows from financing activities		
Payment of dividends	(1,627)	-
Proceeds from drawdown of term loan	-	-
Repayment of loans and borrowings	(212)	(208)
	<u>(1,839)</u>	<u>(208)</u>
Net increase in cash and cash equivalents	2,755	4,211
Cash and cash equivalents at beginning of year	<u>33,577</u>	<u>23,161</u>
Cash and cash equivalents at end of year	<u><u>36,332</u></u>	<u><u>27,372</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and Cash Equivalents	36,332	27,372
	<u>36,332</u>	<u>27,372</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 2nd Quarter Ended 30 June 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			
At 1 January 2012	16,271	1,254	3	22,601	40,129	-	40,129
Foreign currency translation Profit/(Loss) for the period	-	-	2	-	2	-	2
	-	-	-	13,078	13,078	-	13,078
Total recognised income and expense for the period	-	-	2	13,078	13,080	-	13,080
Dividend Paid	-	-	-	(2,441)	(2,441)	-	(2,441)
At 31 December 2012	16,271	1,254	5	33,238	50,768	-	50,768
At 1 January 2013	16,271	1,254	5	33,238	50,768	-	50,768
Foreign currency translation Profit/(Loss) for the period	-	-	8	-	8	-	8
	-	-	-	7,230	7,230	-	7,230
Total recognised income and expense for the period	-	-	8	7,230	7,238	-	7,238
Dividend Paid	-	-	-	-	-	-	-
At 30 June 2013	16,271	1,254	13	40,468	58,006	-	58,006

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 - 30 June 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 Malaysian Financial Reporting Standards ("MFRS").

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 30 Jun 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	33,205	-	-	33,205	-	33,205
Inter-segment revenue	4,480	682	(5,162)	-	-	-
Total segment revenue	37,685	682	(5,162)	33,205	-	33,205
Segment results	7,902	(646)	0	7,256	-	7,256
Finance Cost				(26)	-	(26)
Profit before taxation				7,230	-	7,230
Taxation				-	-	-
Loss on discontinued operations, net of tax				-	-	-
Net Profit after taxation				7,230	-	7,230

Period ended 30 Jun 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	32,155	-	-	32,155	-	32,155
Inter-segment revenue	4,402	2,801	(7,203)	-	-	-
Total segment revenue	36,557	2,801	(7,203)	32,155	-	32,155
Segment results	5,110	1,652	0	6,762	-	6,762
Finance Cost				(30)	-	(30)
Profit before taxation				6,732	-	6,732
Taxation				-	-	-
Loss on discontinued operations, net of tax				-	-	-
Net Profit after taxation				6,732	-	6,732

5. Segmental Information (continued)

As at 30 Jun 2013	Contents & value added services RM'000	Contents & value added services (Discontinued) RM'000	Investment holding RM'000	Elimination RM'000	Consolidated RM'000
Total segment assets	42,460	0	27,274	(5,371)	64,363
Total segment liabilities	10,063	0	936	(4,642)	6,357
Depreciation and amortisation	782	0	49	0	831
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 30 Jun 2013.

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 30 Jun 2013.

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 achieved yet another improved set of financial performance in the first half of 2013 with revenue and profit attributable to shareholders grew by 3.3% to RM33.2 million and 7.4% to RM7.2 million respectively as compared to the corresponding period 2012. 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 Papers service.

19. Comments on Material Change in Profit Before Taxation

	Qtr Ended 30/6/2013 RM'000	Qtr Ended 31/3/2013 RM'000	% Changes
Turnover	18,249	14,956	22.0%
Net Profit Before Taxation	4,252	2,978	42.8%

The Group's turnover increased by 22.0% as compared to the previous quarter. The Group's net profit before taxation for the current quarter under review has increased by 42.8%.

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

There were no corporate proposals undertaken by the Company during the period under review.

24. Group Borrowings and Debt Securities

The Group borrowings were denominated in Ringgit Malaysia as at 30 Jun 2013 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	381	2,113	2,494
Unsecured	-	-	-
	<u>381</u>	<u>2,113</u>	<u>2,494</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 30 June 2013 RM'000	Group 31 December 2012 RM'000
Total retained profits of M-Mode Berhad and it's subsidiaries:		
- Realised	40,058	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	40,468	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 30/6/2013	Comparative Qtr Ended 30/6/2012	Cumulative YTD 30/6/2013	Cumulative YTD 30/6/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	4,252	3,385	7,230	6,732
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)	2.61	2.08	4.44	4.14

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 30/6/2013	Comparative Qtr Ended 30/6/2012	Cumulative YTD 30/6/2013	Cumulative YTD 30/6/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	4,252	3,385	7,230	6,732
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)	2.61	2.08	4.44	4.14

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 19 Aug 2013.