

M-MODE BERHAD
(Company No. 635759-U)
Condensed Consolidated Statement Of Comprehensive Income
For The 3rd Quarter Ended 30 September 2013
(The figures have not been audited)

	Note	Unaudited Current Qtr Ended 30/9/2013 RM'000	Unaudited Comparative Qtr Ended 30/9/2012 RM'000	Unaudited Cumulative YTD 30/9/2013 RM'000	Unaudited Cumulative YTD 30/9/2012 RM'000
Revenue	5	17,865	15,047	51,070	47,202
Cost of sales		(11,086)	(8,950)	(32,162)	(27,906)
Gross Profit		<u>6,779</u>	<u>6,097</u>	<u>18,908</u>	<u>19,296</u>
Interest income		245	190	653	508
Gain on disposal of property, plant and equipment		-	-	6	-
Other expenditure		(2,470)	(1,938)	(6,923)	(7,992)
Depreciation and amortisation		(465)	(372)	(1,296)	(1,073)
Property, plant and equipment written off		(5)	(200)	(8)	(200)
Inventories written off		-	(218)	-	(218)
Finance costs		(12)	(15)	(38)	(45)
Profit Before Tax		<u>4,072</u>	<u>3,544</u>	<u>11,302</u>	<u>10,276</u>
Income Tax Expense	22	(50)	-	(50)	-
Profit for the period		<u>4,022</u>	<u>3,544</u>	<u>11,252</u>	<u>10,276</u>
Other comprehensive income, net of tax					
Exchange differences on translation of foreign operations		-	2	8	2
Total comprehensive income for the period, net of tax		<u>4,022</u>	<u>3,546</u>	<u>11,260</u>	<u>10,278</u>
Attributable to:					
Equity Holders of the Parent		<u>4,022</u>	<u>3,546</u>	<u>11,260</u>	<u>10,278</u>
Earnings per Share Attributable to Equity Holders of the Parent:					
- Basic (Sen)	28	2.47	2.18	6.91	6.32
- Diluted (Sen)	28	2.47	2.18	6.91	6.32

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 September 2013

	Note	(Unaudited) As At 30/9/2013 RM'000	(Audited) As At 31/12/2012 RM'000
ASSETS			
Non-current Assets			
Property, Plant & Equipment	10	7,940	7,655
Intangible Assets		6,031	6,031
Deferred Development Cost		5,227	4,801
Deferred Tax Assets		410	410
		19,608	18,897
Current Assets			
Trade Receivables		9,017	6,057
Other Receivables		455	338
Cash and Cash Equivalents		38,415	33,577
		47,887	39,972
TOTAL ASSETS		67,495	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		5	5
Retained Earnings		43,685	33,238
Total Equity		61,215	50,768
Non-current Liabilities			
Term Loan	24	2,006	2,325
		2,006	2,325
Current Liabilities			
Trade Payables		946	1,933
Other Payables		2,947	3,462
Term Loan	24	381	381
		4,274	5,776
Total Liabilities		6,280	8,101
TOTAL EQUITY AND LIABILITIES		67,495	58,869
Net Assets Per Share Attributable to Equity Holders of the Parent (Sen)		37.62	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 3rd Quarter Ended 30 September 2013
(The figures have not been audited)

	(Unaudited) 9 Months Ended 30/9/2013 RM'000	(Unaudited) 9 Months Ended 30/9/2012 RM'000
Profit Before Taxation	11,302	10,276
Adjustments for:		
Depreciation and Amortization	1,296	1,073
Interest Income	(659)	(508)
Interest Expenses	38	45
Inventories written off	-	218
Property, plant and equipment written off	8	200
Loss/(gain) on disposal of property, plant and equipment	(6)	2
Operating profit before working capital changes	11,979	11,306
Inventories	-	(51)
Receivables	(3,063)	(263)
Payables	125	(2,088)
Cash generated from operations	9,041	8,904
Interest Income	659	508
Interest Paid	(38)	(45)
Tax Paid	(60)	(37)
Net cash generated from operating activities	<u>9,602</u>	<u>9,330</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,119)	(890)
Purchase of intangible assets	(928)	(822)
Proceeds from disposal of property, plant and equipment	43	-
Net cash used in investing activities	<u>(2,004)</u>	<u>(1,712)</u>
Cash flows from financing activities		
Payment of dividends	(2,441)	(813)
Repayment of loans and borrowings	(319)	(311)
Net cash used in financing activities	<u>(2,760)</u>	<u>(1,124)</u>
Net increase in cash and cash equivalents	4,838	6,494
Cash and cash equivalents at beginning of period	<u>33,577</u>	<u>23,161</u>
Cash and cash equivalents at end of period	<u><u>38,415</u></u>	<u><u>29,655</u></u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short term deposit with fund management companies	8,187	-
Fixed Deposit with Licensed Banks	24,210	23,200
Cash and bank balance	6,018	6,455
	<u>38,415</u>	<u>29,655</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 3rd Quarter Ended 30 September 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
Other comprehensive income	-	-	2	-	2	-	2
Profit for the period	-	-	-	10,276	10,276	-	10,276
Total comprehensive income for the period	-	-	2	10,276	10,278	-	10,278
Dividend paid	-	-	-	(813)	(813)	-	(813)
At 30 September 2012	16,271	1,254	5	32,064	49,594	-	49,594
At 1 January 2013	16,271	1,254	5	33,238	50,768	-	50,768
Other comprehensive income	-	-	-	-	-	-	-
Profit for the period	-	-	-	11,260	11,260	-	11,260
Total comprehensive income for the period	-	-	-	11,260	11,260	-	11,260
Dividend paid	-	-	-	(814)	(814)	-	(814)
At 30 September 2013	16,271	1,254	5	43,685	61,215	-	61,215

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 September 2013

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, 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. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 except as follows:

Effective for financial periods beginning on or after 1 July 2012:

Amendments MFRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013:

MFRS 10 : Consolidated Financial Statements

MFRS 11 : Joint Arrangements

MFRS 12 : Disclosure of Interests in Other Entities

MFRS 13 : Fair Value Measurement

MFRS 119 : Employee Benefits

MFRS 127 : Separate Financial Statements

MFRS 128 : Investment in Associates and Joint Ventures

IC Interpretation 20 : Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRS 1 : Government Loans

Amendments to MFRS 7 : Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12 : Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance

Improvements to MFRSs (2012)

Amendments to MFRS 132 : Offsetting Financial Assets and Financial Liabilities

Effective for financial periods beginning on or after 1 January 2014:

Amendments to MFRS 10, MFRS 12 and MFRS 127 : Investment Entities

Effective for financial periods beginning on or after 1 January 2015:

MFRS 9 : Financial Instruments

The adoption of the above do not have any significant financial impact on the Group upon their initial application.

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 Sept 2013	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000	(Less)/Add:	Total RM'000
					Contents & value added services (Discontinued) RM'000	
Total external revenue	51,070	-	-	51,070	-	51,070
Inter-segment revenue	7,260	3,364	(10,624)	-	-	-
Total segment revenue	58,330	3,364	(10,624)	51,070	-	51,070
Segment results	9,992	1,348	0	11,340	-	11,340
Finance Cost				(38)	-	(38)
Profit before taxation				11,302	-	11,302
Taxation				(50)	-	(50)
Net Profit after taxation				11,252	-	11,252

Period ended 30 Sept 2012	Contents & value added services RM'000	Investment Holding RM'000	Elimination RM'000	Consolidated RM'000	(Less)/Add:	Total RM'000
					Contents & value added services (Discontinued) RM'000	
Total external revenue	47,202	-	-	47,202	-	47,202
Inter-segment revenue	6,731	6,522	(13,253)	-	-	-
Total segment revenue	53,933	6,522	(13,253)	47,202	-	47,202
Segment results	5,598	4,723	0	10,321	-	10,321
Finance Cost				(45)	-	(45)
Profit before taxation				10,276	-	10,276
Taxation				-	-	-
Net Profit after taxation				10,276	-	10,276

5. Segmental Information (continued)

As at 30 Sept 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	43,618	0	28,425	(4,548)	67,495
Total segment liabilities	9,193	0	906	(3,819)	6,280
Depreciation and amortisation	1,220	0	76	0	1,296
Non-cash expenses other than depreciation and amortisation	0	0	0	0	0

As at 30 Sept 2012	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	31,584	0	27,047	(3,252)	55,379
Total segment liabilities	6,897	0	1,390	(2,502)	5,785
Depreciation and amortisation	1,012	0	61	0	1,073
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 Sept 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 Sept 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

The Board has declared a First and Final Tax Exempt Dividend of 0.50 sen per ordinary share in respect of the financial year ended 31 December 2012. The said dividend was paid on 12 July 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 Group achieved yet another improved set of financial performance in the 3rd Quarter ended 2013 with revenue and profit before tax grew by 18.7% to RM17.9 million and 14.9% to RM4.1 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 to our innovative services.

19. Comments on Material Change in Profit Before Taxation

	Qtr Ended 30/9/2013 RM'000	Qtr Ended 30/6/2013 RM'000	% Changes
Turnover	17,865	18,249	-2.1%
Net Profit Before Taxation	4,072	4,252	-4.2%

Turnover for the current quarter has dipped marginally by 2.1% as compared to the preceding quarter. The Group's net profit before taxation for the current quarter under review has also decreased slightly by 4.2% due to lower revenue achieved 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 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

	Group 30 Sept 2013 RM'000	Group 30 Sept 2012 RM'000
Income Tax	50	-
	50	-

The effective tax rate of taxation of the Group is calculated at the Malaysian Statutory tax rate of 25%.

23. Status of Corporate Proposals

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

24. Group Borrowings and Debt Securities

The Groups borrowings were denominated in Ringgit Malaysia as at 30 Sept 2013 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	381	2,006	2,387
Unsecured	-	-	-
	381	2,006	2,387

25. Material Litigation

There was 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.

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

	Group 30 Sept 2013 RM'000	Group 31 December 2012 RM'000
Total retained profits of M-Mode Berhad and it's subsidiaries:		
- Realised	43,275	32,828
- Unrealised	410	410
Total Group retained profits as per consolidated accounts	43,685	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.

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 30/9/2013	Comparative Qtr Ended 30/9/2012	Cumulative YTD 30/9/2013	Cumulative YTD 30/9/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	4,022	3,546	11,260	10,278
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)	2.47	2.18	6.91	6.32

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 30/9/2013	Comparative Qtr Ended 30/9/2012	Cumulative YTD 30/9/2013	Cumulative YTD 30/9/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	4,022	3,546	11,260	10,278
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)	2.47	2.18	6.91	6.32

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 12 November 2013.