

**M-MODE BERHAD**  
**(Company No. 635759-U)**  
Condensed Consolidated Statement Of Profit or Loss and Others Comprehensive Income  
For The 4th Quarter Ended 31 December 2013  
(The figures have not been audited)

	Note	Unaudited Current Qtr Ended 31/12/2013 RM'000	Unaudited Comparative Qtr Ended 31/12/2012 RM'000	Unaudited Cumulative YTD 31/12/2013 RM'000	Audited Cumulative YTD 31/12/2012 RM'000
Revenue	5	22,491	14,932	73,561	62,134
Cost of sales		(15,102)	(9,053)	(47,264)	(36,959)
<b>Gross Profit</b>		<b>7,389</b>	<b>5,879</b>	<b>26,297</b>	<b>25,175</b>
Interest income		262	208	910	716
Other income		-	152	5	152
Gain on disposal of property, plant and equipment		65	1	71	1
Other expenditure		(4,573)	(3,162)	(11,496)	(11,154)
Depreciation and amortisation		(492)	(390)	(1,787)	(1,463)
Allowance for and write off of receivables		(69)	-	(69)	-
Allowance for and write off fixed assets		(110)	34	(118)	(166)
Inventories written off		-	187	-	(31)
Finance costs		(12)	(14)	(50)	(59)
<b>Profit Before Tax</b>		<b>2,460</b>	<b>2,895</b>	<b>13,763</b>	<b>13,171</b>
Income Tax Expense	21	(1,970)	(93)	(2,020)	(93)
<b>Profit for continuing operations, net of tax</b>		<b>490</b>	<b>2,802</b>	<b>11,743</b>	<b>13,078</b>
Loss for the year from discontinued operations, net of tax		(36)	-	(36)	-
<b>Net profit after taxation</b>		<b>454</b>	<b>2,802</b>	<b>11,707</b>	<b>13,078</b>
Other comprehensive income: Item that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations		-	(1)	8	1
<b>Total comprehensive income for the period, net of tax</b>		<b>454</b>	<b>2,801</b>	<b>11,715</b>	<b>13,079</b>
Attributable to: Equity Holders of the Parent		454	2,801	11,715	13,079
<b>Earnings per Share Attributable to Equity Holders of the Parent:</b>					
- Basic (Sen)	28	0.28	1.72	7.20	8.04
- Diluted (Sen)	28	0.28	1.72	7.20	8.04

**The Condensed Consolidated Statement of Profit or Loss and Other 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 December 2013

	Note	(Unaudited) As At 31/12/2013 RM'000	(Audited) As At 31/12/2012 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment		9,815	7,655
Intangible Assets		4,424	6,031
Deferred Development Cost		5,327	4,801
Deferred Tax Assets		410	410
		19,976	18,897
<b>Current Assets</b>			
Trade Receivables		8,630	6,057
Other Receivables		921	338
Cash and Cash Equivalents		39,919	33,577
		49,470	39,972
		69,446	58,869
<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		-	5
Retained Earnings		41,699	33,238
<b>Total Equity</b>		59,224	50,768
<b>Non-current Liabilities</b>			
Term Loan	23	1,902	2,325
Deferred Tax		1,856	-
		3,758	2,325
<b>Current Liabilities</b>			
Trade Payables		2,646	1,933
Other Payables		3,437	3,462
Term Loan	23	381	381
		6,464	5,776
<b>Total Liabilities</b>		10,222	8,101
<b>TOTAL EQUITY AND LIABILITIES</b>		69,446	58,869
Net Assets Per Share Attributable to Equity Holders of the Parent (Sen)		36.40	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 4th Quarter Ended 31 December 2013  
(The figures have not been audited)

	<b>(Unaudited)</b> <b>12 Months</b> <b>Ended</b> <b>31/12/2013</b> <b>RM'000</b>	<b>(Audited)</b> <b>12 Months</b> <b>Ended</b> <b>31/12/2012</b> <b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit Before Taxation	13,763	13,171
Adjustments for:		
Depreciation and Amortization	1,787	1,463
Interest Income	(910)	(716)
Interest Expenses	50	59
Impairment loss on trade and other receivables	69	-
Inventories written off	-	(31)
Property, plant and equipment written off	118	166
Loss/(gain) on disposal of property, plant and equipment	(71)	(1)
Operating profit before working capital changes	14,806	14,111
Inventories	-	199
Receivables	(3,127)	1,126
Payables	2,315	(1,296)
Cash generated from operations	13,994	14,140
Interest Income	910	716
Interest Paid	(50)	(59)
Tax Paid	(226)	(64)
Net cash generated from operating activities	14,628	14,733
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,834)	(1,705)
Purchase of intangible assets	(1,401)	(1,397)
Proceeds from disposal of property, plant and equipment	253	12
Net cash used in investing activities	(2,982)	(3,090)
<b>Cash flows from financing activities</b>		
Payment of dividends	(4,881)	(813)
Proceeds from drawdown of term loan	-	18
Repayment of loans and borrowings	(423)	(430)
Net cash used in financing activities	(5,304)	(1,225)
Net increase in cash and cash equivalents	6,342	10,418
Cash and cash equivalents at beginning of period	33,577	23,159
Cash and cash equivalents at end of period	<u>39,919</u>	<u>33,577</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Short term deposit with fund management companies	8,261	8,038
Fixed Deposit with Licensed Banks	26,210	19,100
Cash and bank balance	5,448	6,439
	<u>39,919</u>	<u>33,577</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 4th Quarter Ended 31 December 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 2013</b>	16,271	1,254	5	33,238	50,768	-	50,768
Profit for the year	-	-	(5)	11,715	11,710	-	11,710
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	(5)	11,715	11,710	-	11,710
Dividend paid	-	-	-	(3,254)	(3,254)	-	(3,254)
<b>At 31 December 2013</b>	<b>16,271</b>	<b>1,254</b>	<b>-</b>	<b>41,699</b>	<b>59,224</b>	<b>-</b>	<b>59,224</b>
<b>At 1 January 2012</b>	16,271	1,254	3	22,601	40,129	-	40,129
Profit for the year	-	-	-	13,078	13,078	-	13,078
Other comprehensive income	-	-	2	-	2	-	2
Total comprehensive income for the year	-	-	2	13,078	13,080	-	13,080
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>

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 December 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 and should be read in conjunction with the Group's audited 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**

	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
Year ended 31 December 2013						
Total external revenue	73,561	-	-	73,561	-	73,561
Inter-segment revenue	10,387	8,342	(18,729)	-	-	-
<b>Total segment revenue</b>	<b>83,948</b>	<b>8,342</b>	<b>(18,729)</b>	<b>73,561</b>	<b>-</b>	<b>73,561</b>
<b>Segment results</b>	<b>14,487</b>	<b>4,826</b>	<b>(5,500)</b>	<b>13,813</b>	<b>-</b>	<b>13,813</b>
Finance Cost				(50)	-	(50)
<b>Profit before taxation</b>				<b>13,763</b>	<b>-</b>	<b>13,763</b>
Taxation				(2,020)	-	(2,020)
<b>Loss from discontinued operations, net of tax</b>				<b>(36)</b>	<b>-</b>	<b>(36)</b>
<b>Net Profit after taxation</b>				<b>11,707</b>	<b>-</b>	<b>11,707</b>

	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
Year ended 31 December 2012						
Total external revenue	62,134	-	-	62,134	-	62,134
Inter-segment revenue	8,744	10,416	(19,160)	-	-	-
<b>Total segment revenue</b>	<b>70,878</b>	<b>10,416</b>	<b>(19,160)</b>	<b>62,134</b>	<b>-</b>	<b>62,134</b>
<b>Segment results</b>	<b>13,552</b>	<b>7,678</b>	<b>(8,000)</b>	<b>13,230</b>	<b>-</b>	<b>13,230</b>
Finance Cost				(59)	-	(59)
<b>Profit before taxation</b>				<b>13,171</b>	<b>-</b>	<b>13,171</b>
Taxation				(93)	-	(93)
<b>Net Profit after taxation</b>				<b>13,078</b>	<b>-</b>	<b>13,078</b>

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
<b>As at 31 December 2013</b>					
Total segment assets	47,274	-	29,835	(7,663)	69,446
Total segment liabilities	14,081	-	1,697	(5,556)	10,222
Depreciation and amortisation	1,683	-	104	-	1,787
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-
<b>As at 31 December 2012</b>					
Total segment assets	33,429	-	30,298	(4,858)	58,869
Total segment liabilities	8,895	-	3,314	(4,108)	8,101
Depreciation and amortisation	1,402	-	85	(24)	1,463
Non-cash expenses other than depreciation and amortisation	157	-	9	-	166

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 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 31 December 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 Special Tax Exempt Dividend of 1.50 sen per ordinary share in respect of the financial year ended 31 December 2013. The said dividend was paid on 27 December 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. **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.

14. **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.

15. **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.

16. **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**

**17. Performance Review of the Company and Its Subsidiaries**

The Group achieved yet another improved set of financial performance in the 4th Quarter ended 2013 with revenue grew by 50.6% to RM22.5 million as compared to the preceding year corresponding quarter. The improved performance in revenue 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. Despite the substantial improvement in revenue, profit before tax plunged 15.0% due to higher operating expenses.

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

	Qtr Ended 31/12/2013 RM'000	Qtr Ended 30/9/2013 RM'000	% Changes
Turnover	22,491	17,865	25.9%
Net Profit Before Taxation	2,460	4,072	-39.6%

Turnover for the current quarter has increased by 25.9% as compared to the preceding quarter. However, the Group's net profit before taxation for the current quarter under review has decreased by 39.6% due to higher operating expenses in this quarter.

**19. 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.

**20. Variance of Profit Forecast**

Not Applicable.

**21. Income Tax Expense**

	Group 31 Dec 2013 RM'000	Group 31 Dec 2012 RM'000
Current Tax	164	68
Deferred Tax	1,856	25
	2,020	93

The Group's effective tax rate is lower than the statutory tax rate, primary due to tax incentives from pioneer status and joint by certain subsidiaries within the Group.

**22. Status of Corporate Proposals**

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

**23. Group Borrowings and Debt Securities**

The Groups borrowings were denominated in Ringgit Malaysia as at 31 December 2013 as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	381	1,902	2,283
Unsecured	-	-	-
	381	1,902	2,283

**24. Material Litigation**

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

**25. 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 31 December 2013 RM'000	Group 31 December 2012 RM'000
Total retained profits of M-Mode Berhad and it's subsidiaries:		
- Realised	41,289	32,828
- Unrealised	410	410
Total Group retained profits as per consolidated accounts	41,699	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.

**26. Dividends Payable**

The Board of Directors propose a final tax exempt dividend of 0.50 sen per ordinary share of RM0.10 each in respect of the financial year ended 31 December 2013 for the approval of the shareholders at the forthcoming Company's Tenth Annual General Meeting. The proposed entitlement and payment dates for the final tax exempt dividend shall be determined at a later date and announced accordingly.

**27. 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 31/12/2013	Comparative Qtr Ended 31/12/2012	Cumulative YTD 31/12/2013	Cumulative YTD 31/12/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	454	2,801	11,715	13,079
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)	0.28	1.72	7.20	8.04

**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 31/12/2013	Comparative Qtr Ended 31/12/2012	Cumulative YTD 31/12/2013	Cumulative YTD 31/12/2012
Profit attributable to ordinary equity holders of the parent (RM'000)	454	2,801	11,715	13,079
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)	0.28	1.72	7.20	8.04

**28. 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 18 February 2014.