

# **CHINA INTEGRATED MEDIA CORPORATION LIMITED**

ACN 132 653 948

## **Appendix 4E**

### **Preliminary Report**

**For the Financial Year Ended 31 December 2013**

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## Appendix 4E Preliminary Final Report

Name of entity

**China Integrated Media Corporation Limited**

ACN 132 653 948

Financial year ended 31 December 2013

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Group		Movements	Movements
	Year ended 31 December 2013	Year ended 31 December 2012		
	A\$	A\$	A\$	%
Revenue from ordinary activities	1,216,754	21,550	1,195,204	5,546
Profit/(Loss) from ordinary activities after tax attributable to members	53,303	(476,742)	530,045	111
Net profit / (loss) for the year attributable to members	53,303	(476,742)	530,045	111

Dividend	Amount	Franked amount
	per security	per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend	N/A	

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**China Integrated Media Corporation Limited**

**Consolidated Statement of Comprehensive Income**  
For the year ended 31 December 2013

	Notes	Group	
		2013 A\$	2012 A\$
<b>REVENUE</b>			
Revenue from operating activities		1,216,754	21,550
Interest income		4,649	2
Other income		-	164,313
		<u>1,221,403</u>	<u>185,865</u>
<b>EXPENSES</b>			
Costs of revenue		(1,095,642)	-
Employee benefits expense		(344,754)	(22,143)
Depreciation expense		(108,927)	(70,165)
Professional and consulting expense		(183,182)	(55,621)
Gain/(Loss) on financial assets designed at fair value through profit and loss		354,736	(455,815)
Travel and accommodation expense		(52,910)	(21,294)
Other expenses		(227,694)	(34,505)
Finance costs		(1,660)	(11,252)
Total expenses costs		<u>(1,660,033)</u>	<u>(670,795)</u>
<b>LOSS BEFORE INCOME TAX</b>	6	(438,630)	(484,930)
Income tax expense		-	-
<b>LOSS FOR THE YEAR AFTER INCOME TAX EXPENSE</b>		<u>(438,630)</u>	<u>(484,930)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Foreign currency translation		491,933	49,173
Other comprehensive income for the year, net of tax		491,933	49,173
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>53,303</u>	<u>(435,757)</u>
Gain/(Loss) for the year attributable to:			
Non-controlling interest		-	(8,188)
Owners of China Integrated Media Corporation Limited		53,303	(476,742)
		<u>53,303</u>	<u>(484,930)</u>
Total comprehensive income for the year attributable to:			
Non-controlling interest		-	(8,188)
Owners of China Integrated Media Corporation Limited		53,303	(427,569)
		<u>53,303</u>	<u>(435,757)</u>

**China Integrated Media Corporation Limited**

Consolidated Statement of Financial Position  
As at 31 December 2013

	Note	Group	
		2013 A\$	2012 A\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,526,751	26,267
Marketable securities		1,098,618	629,354
Other receivables and deposits		366,502	83,237
Inventory		-	998,313
Account receivables		621,523	124
<b>Total current assets</b>		<u>3,613,394</u>	<u>1,737,295</u>
<b>NON CURRENT ASSETS</b>			
Fixed assets, net		454,071	2,486
<b>Total non current assets</b>		<u>454,071</u>	<u>2,486</u>
<b>TOTAL ASSETS</b>		<u>4,067,465</u>	<u>1,739,781</u>
<b>CURRENT LIABILITIES</b>			
Other payables		30,033	257,473
Accrued liabilities		15,175	6,299
Deposit subscription		-	5,000
Convertible loans		-	87,100
Loan from related parties		80,825	1,075,780
<b>Total current liabilities</b>		<u>126,033</u>	<u>1,431,652</u>
<b>NET ASSETS</b>		<u>3,941,432</u>	<u>308,129</u>
<b>EQUITY</b>			
Issued capital	7	5,132,475	1,552,475
Accumulated losses	8	(1,613,856)	(1,175,226)
Comprehensive income		422,813	(69,120)
<b>TOTAL EQUITY</b>		<u>3,941,432</u>	<u>308,129</u>

**China Integrated Media Corporation Limited**

**Consolidated Statement of Changes in Shareholders' Equity**  
**For the year ended 31 December 2013**

<b>GROUP</b>	Issued Capital A\$	Accumulated Losses A\$	Comprehensive Income A\$	Non- Controlling interests A\$	Total A\$
31 December 2011 and 1 January 2012	1,552,475	(698,484)	(118,293)	30,969	766,667
Loss for the year	-	(476,742)	-	-	(476,742)
Comprehensive income	-	-	49,173	-	49,173
Loss for the year non-controlling interests	-	-	-	(30,969)	(30,969)
31 December 2012 and 1 January 2013	1,552,475	(1,175,226)	(69,120)	-	308,129
Issue of shares for cash	3,480,000				3,480,000
Issue of shares for services	100,000				100,000
Loss for the year	-	(438,630)	-	-	(438,630)
Comprehensive income	-	-	491,933	-	491,933
31 December 2013	<u>5,132,475</u>	<u>(1,613,856)</u>	<u>422,813</u>	<u>-</u>	<u>3,941,432</u>

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**China Integrated Media Corporation Limited**

Consolidated Cash Flow Statement  
For the year ended 31 December 2013

	Note	Group	
		2013 A\$	2012 A\$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Net loss		(438,630)	(476,742)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation		108,927	70,165
Unrealized (gain) / loss on marketable securities		(354,739)	212,945
Loss on disposal of subsidiaries		-	(129,104)
Gain on disposal of sign boards		-	(35,209)
Profit attributable to minority interest		-	(8,188)
Net cashflows from changes in working capital	9	(1,211,970)	(1,094,990)
<b>NET CASH (OUTFLOWS) / INFLOWS FROM OPERATING ACTIVITIES</b>		<u>(1,896,412)</u>	<u>(1,461,123)</u>
<b>CASH INFLOWS FROM INVESTING ACTIVITIES</b>			
(Purchase) / Disposal of fixed assets		(560,512)	1,449,515
Disposal of subsidiaries, net of cash		-	(1,662)
<b>NET CASH (OUTFLOWS) / INFLOWS FROM INVESTING ACTIVITIES</b>		<u>(560,512)</u>	<u>1,447,853</u>
<b>CASH FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of shares		3,580,000	-
<b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>		<u>3,580,000</u>	<u>-</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		1,123,076	(13,270)
Effect of exchange rate changes on cash and cash equivalents		377,408	19,170
Cash and cash equivalents at the beginning of the financial year		26,267	20,367
<b>CASH AND CASH EQUIVALENT AT END OF FINANCIAL YEAR</b>		<u>1,526,751</u>	<u>26,267</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1: Basic Preparation

The financial report includes China Integrated Media Group Limited and its controlled entities as a consolidated entity (“Consolidated Group” or “Group”). China Integrated Media Corporation Limited (“Parent” or “Company”) is a company limited by shares, incorporated and domiciled in Australia.

The Appendix 4E has been prepared in accordance with the ASX Listing Rules. Information included in the Appendix 4E has been extracted from the Group’s full financial report, and is presented in Australian dollars.

A full description of the accounting policies adopted by the Group can be found in the Group’s full financial report. These accounting policies have been consistently applied by each entity in the Group.

The full financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

NOTE 2: Compliance with AIFRS

International Financial Reporting Standards (“IFRS”) form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS (“AIFRS”). The financial report of the consolidated entity has been prepared on the basis of AIFRS which also complies with IFRS and interpretations adopted by the International Accounting Standards Board.

NOTE 3: Details of Dividends or Distributions

No dividend was paid or proposed during the year.

NOTE 4: Details of Dividend/Distribution Reinvestment Plan

There was no dividend reinvestment plan in operation during the year.

NOTE 5: Ratios

Earnings / (loss) per share

	2013 cent	2012 cent
Basic EPS (cents per share)	<u>(0.01)</u>	<u>(1.4)</u>

Net tangible asset backing

	2013 cent	2012 cent
Net tangible asset backing per ordinary security (cents per security)	<u>7.4</u>	<u>3.1</u>

NOTE 6: Loss from Ordinary Activities

	Group	
	Year ended 31 December 2013	Year ended 31 December 2012
	A\$	A\$
Finance Costs:		
- Related party	-	3,200
- Convertible notes	1,213	8,052
Total finance costs	<u>1,213</u>	<u>11,252</u>
Depreciation of non-current assets:		
- Computers	8,087	3,845
- Mini sign boards	-	64,376
- Leasehold Improvements	85,301	-
- Furniture, fixtures and equipment	15,538	1,944
Total depreciation	<u>108,926</u>	<u>70,165</u>
Rental expense on operating lease	16,252	19,333
Income tax expense / (benefit)	-	-
Auditor remuneration for:		
- Audit services	22,989	3,200
- Other services	-	715
Total auditor remuneration	<u>22,989</u>	<u>3,915</u>

NOTE 7: Issued Capital

(a) Share capital

**Group and Company**

	31 December 2013		31 December 2012	
	Number of shares	A\$	Number of shares	A\$
Ordinary Shares fully paid	<u>52,912,833</u>	<u>5,132,475</u>	<u>35,012,833</u>	<u>1,552,475</u>

(b) Movements in ordinary share capital

	Number of Shares	A\$
31 December 2012 & 1 January 2013	35,012,833	1,552,475
Issue of shares during the year	17,900,000	3,580,000
31 December 2013	<u>52,912,833</u>	<u>5,132,475</u>

There is only one class of share on issue being ordinary fully paid shares. Holders of ordinary shares are treated equally in all respects regarding voting rights and with respect to the participation in dividends and in the distribution of surplus assets upon a winding up.

(c) Options on issue

There were no share options issued and outstanding during and at the end of the financial year.



NOTE 8: Accumulated Losses

	Group	
	Year ended 31 December 2013 A\$	Year ended 31 December 2012 A\$
Balance at beginning of financial year	1,175,226	698,484
Net loss for the financial year	438,630	476,742
Balance at end of financial year	<u>1,613,856</u>	<u>1,175,226</u>

NOTE 9: Cashflow Information

	Group	
	Year ended 31 December 2013 A\$	Year ended 31 December 2012 A\$
<b>CASHFLOWS FROM CHANGES IN WORKING CAPITAL</b>		
<b>(Increase)/Decrease in assets:</b>		
Marketable securities	-	(305,814)
Other receivable and deposit	(283,265)	18,062
Amount due from former subsidiaries	-	178,097
Amount due from related parties	-	17,661
Deposit for IPTV	-	202,725
Inventory	998,313	(990,991)
Account receivables	(621,399)	3
Due from a director	-	50,108
<b>Increase / (Decrease) in liabilities:</b>		
Other payables	(227,440)	(134,029)
Accrued expenses	8,876	(53,711)
Customer deposits	-	(2,475)
Deposit subscription	(5,000)	(2,000)
Convertible loan	(87,100)	-
Loan from related parties	(994,955)	(72,626)
<b>NET CASHFLOWS FROM CHANGES IN WORKING CAPITAL</b>	<u>(1,211,970)</u>	<u>(1,094,990)</u>

**NOTE 10: Control Gained or Lost Over Entities During the Year**

10.1 Name of entity (or group of entities) over which control was gained	None
10.2 Date control was gained	N/A
10.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of gain of control	N/A
10.4 Name of entity (or group of entities) over which control was lost	N/A
10.5 Date control was lost	N/A
10.6 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A

**NOTE 11: Contingencies**

There are no material contingent liabilities or contingent assets of the Group at balance sheet date.

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## COMMENTARY ON THE RESULTS FOR THE YEAR 2013

The Group's principal activities during the course of the financial year were advertising, distribution of displays, and the lottery gaming business in China.

The Group's main revenue activity during the financial year was the sale of digital media TV displays. The Group's digital advertising in glasses-free 3D (autostereoscopic) and lottery gaming business are still in the development stage and did not contribute any revenue to the Group during the year.

During the financial year, the Group has recorded a revenue of A\$1,216,754 (2012: A\$21,550) and recorded a gain for the year of A\$53,303 (2012: loss of A\$476,742).

The Group also recognized an unrealized gain of A\$354,736 (2012: loss of A\$212,945) and no realized results (2012: loss of A\$242,870) from its investment in marketable securities.

The Company recognized a loss after tax for the financial year of \$336,025 (2012: loss of A\$24,933).

Pursuant to a Prospectus issued on 12 December 2012 and Supplemental Prospectus on 22 December 2012 to raise funding from a minimum of A\$3,000,000 to a maximum of A\$5,000,000 at a price of A\$0.20 per share, the offer was closed on 20 February 2013 where the Company raised a total of A\$3,480,000. The Company's shares were quoted on the Australia Securities Exchange on 25 February 2013.

The long term focus of the Group is to continue to develop its advertising business in digital media / advertising in glasses-free 3D (autostereoscopic) and the lottery outlet activities in China. The Company has been in discussion of other technology partners in possible cooperative arrangement in joint roll out opportunities of the digital media advertising in glasses-free 3D advertising platform, and such discussion are still in the preliminary stage. The Group's lottery business is still under development as the management is cautiously moving forward in the assessing the risks and the political and economical environment in China's lottery business today. Finally, the Board will continue to seek potential acquisitions that have the potential to add value to the Group.

### Events Subsequent to Reporting Date

There were no significant events after the balance sheet date.

Compliance Statement

This report is based on accounts which are in the process of being audited. The audit report will be available with the Company's annual report in March 2014.



Sign here: \_\_\_\_\_

Chairman & CEO

Name: Con Unerkov

Date: 28 February 2014

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