

**CHINA INTEGRATED MEDIA
CORPORATION LIMITED**

ACN 132 653 948

Interim Report

30 June 2013

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Directors' Report

The directors present their report together with the financial statements on the consolidated entity (referred to hereinafter as the "Group") consisting of China Integrated Media Corporation Limited (referred to hereinafter as "CIMC" or Company) and the entities it controlled for the six months ended 30 June 2013.

Directors

The names of the directors in office at any time during the period from 1 January 2013 to 30 June 2013, and up to the date of this report are:

<u>Director</u>	<u>Position</u>	<u>Appointed/Resigned</u>
Con UNERKOV	Chairman	
Herbert Ying Chiu LEE	Executive	
Loui KOTSOPOULOS	Non-executive	
Man-Chung CHAN	Non-executive	Appointed on 15 May 2013
Bing HE	Executive	Resigned on 15 May 2013

Principal Activities

During the financial period for the six months ended 30 June 2013, the principal continuing activities of the consolidated entity consists of:

- advertising
- distribution of displays
- lottery gaming business

Review of Operations

For the six months period ended 30 June 2013, the Group recorded \$304,873 in revenues (2012: \$20,722) and recorded a loss of the period attributable to shareholders of \$491,162 (2012: \$338,700).

During the financial period under review, the Group continued to focus on its digital advertising in glasses-free 3D (autostereoscopic) and lottery gaming business. The Group commenced building its infrastructure and operation in Hong Kong to enter the growing advertising market in China. Accordingly, the Company has since moved its principal place of business to Hong Kong. For the period under review the Group's revenue was derived the sale of its TV displays.

On 22 December 2012 the Company issued a prospectus 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. On 22 December 2012 the Company issued a supplemental prospectus and the prospectus was open on that date. On 14 December 2012 the Company appointed to be quoted on the official list on the Australian Stock Exchange pursuant to the supplementary prospectus dated 22 December 2012. Pursuant to the Supplemental Prospectus, 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 Australian Stock Exchange on 25 February 2013.

Subsequent events

No matters or circumstances, besides those disclosed at note 18, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

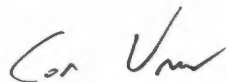
Future developments

The focus of the Group is to continue to develop its digital media / advertising in glasses-free 3D (autostereoscopic) and lottery outlet activities. The Board will be reviewing potential acquisitions that have the potential to add to the Group's technology and distribution network in Asia. The Board believes that there is a growing demand for a new display media platform using 3D display technology. Furthermore the Group is continuing its efforts to roll out its lottery business in China.

Auditor's independence Declaration

The Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 21 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(c) of the Corporations Act.



Con Unerkov
Director

Adelaide, 29 August 2013

Financial Report

The financial report covers China Integrated Media Corporation Limited ("CIMC") as a consolidated entity consisting of China Integrated Media Corporation Limited and the entities it controlled. The financial report is presented in Australian dollars which is CIMC's functional currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

China Integrated Media Corporation Limited is a listed public company limited by shares, incorporated and domiciled in Australia, its registered office and the principal place of business are:

Registered Office

Suite 5, Level 2
Malcolm Reid Building
187 Rundle Street
Adelaide SA 5000

Principal Place of Business

7/F Siu On Center
188 Lockhart Road
Wanchai
Hong Kong

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorized for issues, in accordance with a resolution of directors on 29 August 2013.

China Integrated Media Corporation Limited – For the six months ended 30 June 2013

Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2013

	Notes	Group	
		30 June 2013	30 June 2012
		\$	\$
REVENUE			
Revenue from operating activities		304,873	20,722
Interest income		2,543	2
Other income		-	-
		<u>307,416</u>	<u>20,724</u>
EXPENSES			
Raw materials and consumables used		(290,415)	-
Employee benefits expense		(140,446)	(13,100)
Depreciation expense		(23,940)	(46,868)
Professional and consulting expense		(152,820)	(25,493)
Loss on financial assets designed at fair value through profit and loss		(55,615)	(243,182)
Production expense		-	-
Travel and accommodation expense		(20,790)	(10,014)
Other expenses		(113,339)	(15,152)
Finance costs		(1,213)	(5,615)
Total expenses costs		<u>(798,578)</u>	<u>(359,424)</u>
LOSS BEFORE INCOME TAX	3	(491,162)	(338,700)
Income tax expense		-	-
LOSS FOR THE PERIOD AFTER INCOME TAX EXPENSE		<u>(491,162)</u>	<u>(338,700)</u>
OTHER COMPREHENSIVE INCOME			
Foreign currency translation		406,873	(9,895)
Other comprehensive income for the period, net of tax		<u>406,873</u>	<u>(9,895)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(84,289)</u>	<u>(348,595)</u>
Loss for the period attributable to:			
Non-controlling interest		-	(1,749)
Owners of China Integrated Media Corporation Limited		<u>(491,162)</u>	<u>(336,951)</u>
		<u>(491,162)</u>	<u>(338,700)</u>
Total comprehensive income for the year attributable to:			
Non-controlling interest		-	(1,749)
Owners of China Integrated Media Corporation Limited		<u>(84,289)</u>	<u>(346,846)</u>
		<u>(84,289)</u>	<u>(348,595)</u>
Loss per share			
Basic	5	0.01	0.01
Diluted		<u>0.01</u>	<u>0.01</u>

The accompanying notes form part of these financial statements.

China Integrated Media Corporation Limited – For the six months ended 30 June 2013

Consolidated Statement of Financial Position
As at 30 June 2013

	Notes	Group	
		30 June 2013 (Unaudited) \$	31 December 2012 (Audited) \$
CURRENT ASSETS			
Cash and cash equivalents		1,686,518	26,267
Trade and other receivables	6	231,003	37,266
Inventories	7	813,045	998,313
Financial assets at fair value through profit and loss	8	659,978	629,354
Other assets	9	243,047	46,095
Total current assets		<u>3,633,591</u>	<u>1,737,295</u>
NON CURRENT ASSETS			
Plant and equipment	10	406,320	2,486
Total non current assets		<u>406,320</u>	<u>2,486</u>
TOTAL ASSETS		<u>4,039,911</u>	<u>1,739,781</u>
CURRENT LIABILITIES			
Borrowings	11	-	1,162,880
Other liabilities	12	236,071	267,489
Employee benefits		-	1,283
Total current liabilities		<u>236,071</u>	<u>1,431,652</u>
NET ASSETS		<u>3,803,840</u>	<u>308,129</u>
EQUITY			
Issued capital	13	5,132,475	1,552,475
Reserves		337,753	(69,120)
Accumulated losses		(1,666,388)	(1,175,226)
Equity attributable to the owners of China Integrated Media Corporation Limited		3,803,840	308,129
Non controlling interests		-	-
TOTAL EQUITY		<u>3,803,840</u>	<u>308,129</u>

The accompanying notes form part of these financial statements.

China Integrated Media Corporation Limited – For the six months ended 30 June 2013

Consolidated Statement of Changes in Equity
For the six month period ended 30 June 2013

GROUP	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation \$	Non- Controlling interests \$	Total \$
Balance at 1 January 2013	1,552,475	(1,175,226)	(69,120)	-	308,129
Loss for the period	-	(491,162)	-	-	(491,162)
Other comprehensive income, net of tax	-	-	406,873	-	406,873
Total comprehensive income for the period	1,552,475	(1,666,388)	337,753	-	223,840
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares for cash	3,480,000	-	-	-	3,480,000
Issue of shares for services	100,000	-	-	-	100,000
Balance at 30 June 2013	5,132,475	(1,666,388)	337,753	-	3,803,840
	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation \$	Non- Controlling interests \$	Total \$
Balance at 1 January 2012	1,552,475	(698,484)	(118,293)	30,969	766,667
Loss for the period	-	(336,951)	-	(1,749)	(338,700)
Other comprehensive income, net of tax	-	-	(9,895)	-	(9,895)
Total comprehensive income for the period	-	(1,035,435)	(128,188)	29,220	418,072
<i>Changes in ownership interests of subsidiaries</i>					
Disposal of subsidiary with non controlling interests	-	-	-	-	-
Balance at 30 June 2012	1,552,475	(1,035,435)	(128,188)	29,220	418,072

The accompanying notes form part of these financial statements.

China Integrated Media Corporation Limited – For the six months ended 30 June 2013

Consolidated Statement of Cash Flows
For the six months period ended 30 June 2013

	Notes	Group	
		30 June 2013 (Unaudited) \$	30 June 2012 (Unaudited) \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Net loss		(491,162)	(336,951)
Adjustment to reconcile net loss to net cash used in operating activities:			
Depreciation		23,940	46,868
Unrealized loss on marketable securities		55,615	243,182
Profit attributable to minority interest		-	(1,749)
Net cashflows from changes in working capital	17	(1,487,241)	82,007
NET CASH (OUTFLOWS) / INFLOWS FROM OPERATING ACTIVITIES		<u>(1,898,848)</u>	<u>33,357</u>
CASH OUTFLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(427,774)	-
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		<u>(427,774)</u>	<u>-</u>
NET CASH INFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		3,580,000	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES		<u>3,580,000</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,253,378	33,357
Effect of exchange rate changes on cash and cash equivalents		406,873	(9,895)
Cash and cash equivalents at the beginning of period		26,267	20,367
CASH AND CASH EQUIVALENT AT END OF PERIOD		<u>1,686,518</u>	<u>43,829</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the six months period ended 30 June 2013

1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standard AASB 134 “Interim Financial Reporting” and the Corporations Act 2001.

The consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the financial year ended 31 December 2012 and any public announcements made by China Integrated Media Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity (“Group”) has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The Group has applied AASB 10 from 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The Group will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements

The Group has applied AASB 11 from 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 12 Disclosure of Interests in Other Entities

The Group has applied AASB 12 from 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The Group has applied AASB 13 and its consequential amendments from 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value.

AASB 127 Separate Financial Statements (Revised)

AASB 128 Investments in Associates and Joint Ventures (Reissued)

The Group has adopted these revised standards from 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The Group has adopted these revised standards and consequential amendments from 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 January 2013 is not expected to have a material impact on the Group as it currently does not employ a material level of staff within Australia

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The Group has adopted AASB 2011-7 from 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The Group has applied AASB 2012-5 from 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

2. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organized into two operating segments: Advertising and Distribution of Devices. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortization). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Types of products

Advertising – the provision of outdoor advertising.

Distribution of devices – the distribution of devices for advertising.

Intersegment transaction

There are no intersegment transactions. There are no intersegment sales, receivables, payables and loans.

2. OPERATING SEGMENTS (continued)

Operating segment information

Consolidated - 2013	Distribution devices \$	Advertising \$	Corporate \$	Total \$
Revenue				
Sales to external customers	304,873	-	-	304,873
Intersegment sales	-	-	-	-
Total sales revenue	304,873	-	-	304,873
Other revenue	-	-	-	-
Total revenue	304,873	-	-	304,873
EBITDA				
Depreciation & amortization	(180,973)	(24,434)	(263,145)	(468,552)
Interest revenue				(23,940)
Finance costs				2,543
				(1,213)
Profit before income tax expense				(491,162)
Income tax				-
Profit after income tax expense				(491,162)
Assets				
Segment assets	3,852,303	11,997	175,611	4,039,911
Liabilities				
Segment liabilities	170,120	18,196	47,755	236,071
Consolidated - 2012				
	Distribution devices \$	Advertising \$	Corporate \$	Total \$
Revenue				
Sales to external customers	-	20,722	-	20,722
Intersegment sales	-	-	-	-
Total sales revenue	-	20,722	-	20,722
Other revenue	-	-	-	-
Total revenue	-	20,722	-	20,722
EBITDA				
Depreciation & amortization	(279,820)	(4,075)	(2,324)	(286,219)
Interest revenue				(46,868)
Finance costs				2
				(5,615)
Profit before income tax expense				(338,700)
Income tax				-
Profit after income tax expense				(338,700)
Assets				
Segment assets	2,136,300	14,232	229,957	2,380,489
Liabilities				
Segment liabilities	1,486,335	19,753	456,329	1,962,417

3. LOSS FROM ORDINARY ACTIVITIES

	Group	
	Period ended 30 June 2013 \$	Period ended 30 June 2012 \$
Finance Costs:		
- Related party	-	1,600
- Loan fee	-	-
- Convertible notes	1,213	4,015
Total finance costs	<u>1,213</u>	<u>5,615</u>
Depreciation of non-current assets:		
- Leasehold Improvement	18,572	-
- Office Furniture and Equipment	5,368	3,951
- Plant and Equipment	-	42,917
Total depreciation	<u>23,940</u>	<u>46,868</u>
Rental expenses on operation lease	8,025	10,803
Auditor remuneration for:		
- Audit services	16,000	-
- Other services	500	200
Total auditor remuneration	<u>16,500</u>	<u>00</u>

4. DIVIDENDS

No dividends were declared and paid during the six months ended 30 June 2013 (2012: Nil).

5. LOSS PER SHARE

The loss per share was calculated based on the weighted average of 47,869,187 (2012: 35,012,833) shares outstanding during the financial year.

6. TRADE AND OTHER RECEIVABLES

	Group	
	30 June 2013 \$	31 December 2012 \$
Trade receivables	196,173	124
Other receivables	34,830	36,838
Related party receivables	-	304
	<u>231,003</u>	<u>37,266</u>

The amount due from related parties is unsecured, non-interest bearing and repayable on demand.

7. INVENTORIES

	Group	
	30 June 2013 \$	31 December 2012 \$
Finished goods – at cost	<u>813,045</u>	<u>998,313</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group	
	30 June 2013 \$	31 December 2012 \$
Ordinary shares – designated at fair value through profit and loss	<u>659,978</u>	<u>629,354</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Group	
	30 June 2013 \$	31 December 2012 \$
Opening fair value	629,354	536,485
Additions	-	843,418
Disposal	-	(536,485)
Exchange gain/(loss)	79,035	(1,119)
Devaluation	<u>(48,411)</u>	<u>(212,945)</u>
	<u>659,978</u>	<u>629,354</u>

9. OTHER ASSETS

	Group	
	30 June 2013 \$	31 December 2012 \$
Prepayments	12,430	46,095
Deposits	<u>230,617</u>	<u>-</u>
	<u>243,047</u>	<u>46,095</u>

10. PLANT AND EQUIPMENT

	Group	
	30 June 2013 \$	31 December 2012 \$
Office Furniture and Equipment – at cost	8,321	8,321
Add: Additions	63,938	-
Less: Accumulated Depreciation	11,203	5,835
	61,056	2,486
Leasehold Improvement – at cost	363,836	-
Less: Accumulated Depreciation	(18,572)	-
	345,264	-
Plant and Equipment – at cost	-	-
Less: Accumulated Depreciation	-	-
	-	-
	406,320	2,486

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office Furniture and Equipment \$	Leasehold Improvement \$	Plant and Equipment \$	Total \$
Balance at 1 January 2012	8,275	-	1,478,682	1,486,957
Additions	-	-	-	-
Disposals	-	-	(1,414,306)	(1,414,306)
Depreciation Expense	(5,789)	-	(64,376)	(70,165)
Balance at 31 December 2012	2,486	-	-	2,486
Additions	63,938	363,836	-	427,774
Disposals	-	-	-	-
Depreciation Expense	(5,368)	(18,572)	-	(23,940)
Balance at 30 June 2013	61,056	345,264	-	406,320

11. BORROWINGS

	Group	
	30 June 2013 \$	31 December 2012 \$
Convertible Notes	-	87,100
Loans from related parties	-	1,075,780
	<u>-</u>	<u>1,162,880</u>

12. OTHER LIABILITIES

	Group	
	30 June 2013 \$	31 December 2012 \$
Accruals	88,576	6,299
Deposits	-	5,000
Related party payables	132,664	71,300
Other	14,831	184,890
	<u>236,071</u>	<u>267,489</u>

The related party payable relates to advances provided to related parties, repayable on demand.

13 ISSUED CAPITAL

(a) Share capital

Group	30 June 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	35,012,833	1,552,475
Issue of shares during the period	17,900,000	3,580,000
30 June 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. The fully paid ordinary shares have no par value.

During the period on 20 February 2013 the Company closed an initial public offering supplementary prospectus dated 22 December 2012 and raised a total of A\$3,480,000. Then on the same date, the Company paid a consultant A\$100,000 by the issued 500,000 ordinary shares at an issuance price of A\$0.20 per share in the Company.

14. COMMITMENTS

The Company has no material lease commitments at the end of the period.

15. CONTINGENCIES

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

16. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

(a) During the period, the Company paid a deposit of A\$225,634 to Marvel Digital Limited to acquire a content management system for our advertising platform. At the date of this report the final terms of the purchase is still under negotiation. MDL is a shareholder of the Company and also is beneficially owned by our Director Dr Herbert Ying Chiu Lee.

17. CASHFLOW INFORMATION

	Group	
	Period ended 30 June 2013 \$	Period ended 30 June 2012 \$
CASHFLOWS FROM CHANGES IN WORKING CAPITAL		
(Increase)/decrease in assets:		
Marketable securities	(86,239)	4,885
Other receivable and deposit	(194,640)	(38,939)
Amount due from related parties	-	63
Deposit for IPTV	-	40,798
Inventory	185,268	-
Account receivables	(196,049)	1
Due from a director	59,011	(1,100)
Increase / (Decrease) in liabilities:		
Other payables	(1,234,010)	93,847
Accrued expenses	82,277	(56,499)
Customer deposits	-	(2,475)
Deposit subscription	(5,000)	32,500
Loan from related parties	(97,859)	8,926
NET CASHFLOWS FROM CHANGES WORKING CAPITAL	<u>(1,487,241)</u>	<u>82,007</u>

18. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No other matter or circumstance has arisen since 30 June 2013, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

19. COMPARATIVE FIGURES

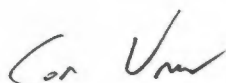
Certain comparative figures have been changed to conform to current period's presentation.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 17 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013; and
 - (iii) of their performance for the six months period ended 30 June 2013; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Director

Adelaide, 29 August 2013

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CHINA INTEGRATED MEDIA CORPORATION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of China Integrated Media Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of China Integrated Media Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of China Integrated Media Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of China Integrated Media Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



BDO Audit Partnership (SA)



P J Whelan
Partner

Adelaide, 29 August 2013

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DECLARATION OF INDEPENDENCE

BY P J WHELAN

TO THE DIRECTORS OF CHINA INTEGRATED MEDIA CORPORATION LIMITED

As lead auditor of China Integrated Media Corporation Limited for the period ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect China Integrated Media Corporation Limited and the entities it controlled during the period.



P J Whelan
Partner

BDO Audit Partnership (SA)

Adelaide, 29 August 2013

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