

**MNC MEDIA INVESTMENT LTD AND ITS SUBSIDIARIES**  
**HALF YEAR FINANCIAL STATEMENTS**  
**FOR THE SIX - MONTH PERIOD ENDED 30 JUNE 2015**

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**APPENDIX 4D - HALF-YEAR REPORT FOR THE SIX – MONTH PERIOD ENDED 30 JUNE 2015**

Name of Entity	<b>MNC MEDIA INVESTMENT LTD</b>
A.R.B.N	<b>164 134 472</b>
Half-Year Ended	<b>30 June 2015</b>
Reporting Period	<b>1 January 2015 to 30 June 2015</b>
Previous Period	<b>1 January 2014 to 30 June 2014</b>

**Results for announcement to the market**

	30 June 2015 US\$'000	30 June 2014 US\$'000	Change US\$'000	Change %
<b>2.1 Revenues from ordinary activities</b>	42,382	23,275	19,107	82
<b>2.2 Loss from ordinary activities after tax attributable to members</b>	(210)	(1,921)	1,711	89
<b>2.3 Net loss for the period attributable to members</b>	(210)	(1,921)	1,711	89
<b>2.4 Interim dividends</b>	30 June 2015		30 June 2014	
	Amount per security	Imputed amount per security	Amount per security	Imputed amount per security
	No dividend declared for half year		No dividend declared for half year	

**2.5 Record date for determining entitlements to and the date for payments of the dividends (if any)**  
Not applicable.

**2.6 Explanation of 2.1 to 2.4**

Revenue for six - month period ended 30 June 2015 is US\$19.1 million higher than the corresponding period last year mainly due to higher revenue from mobile games and our parenting portal, Fumubang, in China.

The Company recorded net loss of US\$0.2 million for the six - month period ended 30 June 2015, compared to US\$1.9 million loss for the corresponding period last year; the difference is mainly attributable to unrealized gains of \$7.8 million offset by a unrealized foreign exchange loss of \$5.2 million from changes in the fair value of the marketable securities and depreciation of the Indonesian Rupiah ("IDR") against the United States dollar ("USD" or "US\$") recognised in the six - month period ended 30 June 2015, as well as higher profit from our mobile games business in China. This is partially offset by higher operating costs incurred necessary to fund the business expansion in China.

**3.0 Net Tangible Assets per security**

	30 June 2015	31 December 2014
NTA (US\$ per share)	0.27	0.27
Number of shares	404,391,710	404,391,710

**4.0 Entities over which control has been gained or lost**  
Not applicable.

**5.0 Individual and total dividends**  
Not applicable.

**6.0 Dividend or dividend reinvestment plans**  
Not applicable.

**7.0 Associates and joint venture entities**

In April 2015, the Group acquired a 21.7% stake in Yododo Inc ("YDD") for a consideration of \$5.07 million. The Group equity accounted for the loss of YDD for the six – month period ended 30 June 2015 of \$43,403.

**8.0 Foreign Entities**

The interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

**9.0 Audit dispute or qualification**

The interim financial information for the six - month period ended 30 June 2015 presented has been reviewed and are not subject to any audit dispute or qualification.

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF  
CONDENSED INTERIM FINANCIAL INFORMATION  
MNC MEDIA INVESTMENT LTD AND ITS SUBSIDIARIES**

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Introduction

We have reviewed the accompanying condensed interim financial information of MNC Media Investment Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the unaudited consolidated statement of financial position of the Group as at 30 June 2015, the unaudited consolidated statements of operations and comprehensive income, changes in shareholders' equity and cash flows of the Group for the period from 1 January 2015 to 30 June 2015, and notes to unaudited consolidated financial statements. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", which applies to a review of historical financial information performed by the independent auditor of the entity. A review of interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

Conclusion

Based on our review, nothing has come to our attention that causes to believe that the accompanying condensed interim financial information does not give a true and fair view of the consolidated statement of financial position of the Group as at 30 June 2015, and of the Group's financial performance, changes in shareholders' equity and its cash flows for the period from 1 January 2015 to 30 June 2015 in accordance with IFRS.

  
**MAZARS LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
28 August 2015

The Board of Directors of MNC Media Investment Ltd (the "Company") and its subsidiaries (the "Group") have the pleasure in submitting its report in respect of the six - month period ended 30 June 2015.

## **DIRECTORS**

The directors of the Company in office during the whole of the six - month period ended 30 June 2015 and up to the date of this report, unless otherwise indicated, are:

### **Executive**

Hary Tanoesoedibjo  
Tan Peck Joo

### **Non Executive**

David Fernando Audy  
Billy Hsieh

## **PRINCIPAL ACTIVITIES**

The principal activities of the Group include:

- (i) providing mobile game services in China;
- (ii) providing telecommunication value-added services ("VAS") in China and Indonesia;
- (iii) providing media content and audio distribution and related services in Singapore, Malaysia, Hong Kong and Indonesia;
- (iv) operating online news and entertainment and parenting portals in Indonesia and China respectively; and
- (v) trading in quoted securities.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE  
 INCOME/(LOSS)

(In U.S. dollars, except number of shares)

	Note	For the six - month period ended 30 June 2014 (Restated)	30 June 2015
Revenue		23,274,745	42,381,627
Cost of revenue		(16,432,039)	(31,653,281)
<b>Gross profit</b>		<u>6,842,706</u>	<u>10,728,346</u>
Operating expenses:			
Product development		(3,070,681)	(4,494,993)
Selling and marketing		(877,120)	(1,717,688)
General and administrative		(5,502,215)	(5,990,507)
Total operating expenses		(9,450,016)	(12,203,188)
Other operating income	9	<u>1,201,439</u>	<u>8,245,978</u>
<b>Operating (loss)/income</b>		<u>(1,405,871)</u>	<u>6,771,136</u>
Finance income (net)		274,231	517,033
Gain/(loss) on foreign exchange - net		1,819,752	(5,527,136)
Other gain/(loss), net of other expenses		9,082	(17,391)
Share of loss of associate		-	(43,403)
Income from continuing operations before income tax		<u>697,194</u>	<u>1,700,239</u>
Income tax expense		(215,036)	(486,190)
<b>Net profit from continuing operations</b>		<u>482,158</u>	<u>1,214,049</u>
Loss for the period from discontinued operations	10	<u>(2,185,273)</u>	<u>(456,677)</u>
<b>Net (loss)/income for the period</b>		<u>(1,703,115)</u>	<u>757,372</u>
Net income attributable to non-controlling interests		<u>(218,169)</u>	<u>(967,645)</u>
<b>Net loss attributable to ordinary shareholders of the Company</b>		<u>(1,921,284)</u>	<u>(210,273)</u>
<b>Profit per share from continuing operations attributable to the shareholders of the company:</b>			
<b>Basic profit per ordinary share:</b>			
Net profit		<u>0.00065</u>	<u>0.00061</u>
<b>Diluted profit per ordinary share:</b>			
Net profit		<u>0.00065</u>	<u>0.00061</u>
<b>Loss per share from discontinued operations:</b>			
<b>Basic Loss per ordinary share:</b>			
Net loss		<u>(0.0054)</u>	<u>(0.0011)</u>
<b>Diluted Loss per ordinary share:</b>			
Net loss		<u>(0.0054)</u>	<u>(0.0011)</u>
<b>Weighted-average number of ordinary shares:</b>			
Basic		404,391,710	404,391,710
Diluted		<u>404,391,710</u>	<u>404,432,450</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE  
INCOME/(LOSS)

(In U.S. dollars, except number of shares)

	Note	For the six - month period ended	
		30 June 2014	30 June 2015
		(Restated)	
<b>Comprehensive (loss)/income</b>			
<b>Net (loss)/income for the period</b>		(1,703,115)	757,372
Foreign currency translation adjustments		(125,137)	214,689
<b>Comprehensive (loss)/ income, net of tax</b>		<u>(1,828,252)</u>	<u>972,061</u>
Comprehensive income attributable to non-controlling interests, net of tax		<u>(240,449)</u>	<u>(1,030,133)</u>
<b>Comprehensive loss attributable to ordinary shareholders of the Company, net of tax</b>		<u><u>(2,068,701)</u></u>	<u><u>(58,072)</u></u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In U.S. dollars, except number of shares)

	Notes	31 December 2014	30 June 2015
<b>Assets</b>			
		(Restated)	
<b>Current assets:</b>			
Cash and cash equivalents	2	19,224,315	19,848,216
Short-term investments	3	91,922,204	85,832,133
Accounts receivable, net	4	6,787,627	8,953,514
Tax refund receivable		417,273	43,859
Due from related parties	7	1,674,844	1,391,117
Deposits and other current assets		2,937,345	3,742,279
Assets of discontinued operations	10	1,994,540	791,036
<b>Total current assets</b>		<u>124,958,148</u>	<u>120,602,154</u>
<b>Non-current assets:</b>			
Property and equipment, net	5	10,136,450	10,291,996
Intangible assets, net		6,131,942	5,946,362
Goodwill		15,000,580	15,000,580
Deferred tax assets		1,813,603	1,856,456
Investment in an associate		-	5,026,597
Other long-term assets		828,767	791,270
<b>Total assets</b>		<u>158,869,490</u>	<u>159,515,415</u>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Accounts payable, accrued liabilities and other payables	6	9,653,957	12,509,598
Due to related parties	7	1,934,060	2,045,457
Short-term loan		7,942,706	7,619,760
Taxes payable		1,768,948	1,617,987
Deferred revenue		478,285	475,145
Liabilities of discontinued operations	10	4,176,354	1,376,316
<b>Total current liabilities</b>		<u>25,954,310</u>	<u>25,644,263</u>
<b>Non-current liabilities:</b>			
Deferred tax liabilities		1,906,931	1,907,566
Other long-term liabilities		104,158	87,434
<b>Total liabilities</b>		<u>27,965,399</u>	<u>27,639,263</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In U.S. dollars, except number of shares)

	Note	31 December 2014 (Restated)	30 June 2015
<b>Shareholders' equity</b>			
Ordinary shares (\$0.0001 par value; 500,000,000 shares authorised, 421,435,030 shares issued and 404,391,710 outstanding as of 30 June 2015 and 30 June 2014)		42,144	42,144
Other reserves		138,066,146	138,066,146
Treasury stock		(2,890,213)	(2,890,213)
Statutory reserves		3,315,918	3,315,918
Cumulative translation adjustments		12,089,390	12,241,591
Accumulated losses		(27,257,430)	(27,467,703)
<b>Total shareholders' equity</b>		<u>123,365,955</u>	<u>123,307,883</u>
Non-controlling interests		7,538,136	8,568,269
<b>Total shareholders' equity</b>		<u>130,904,091</u>	<u>131,876,152</u>
<b>Total liabilities and shareholders' equity</b>		<u>158,869,490</u>	<u>159,515,415</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.



UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In U.S. dollars, except share data)

	Attributable to shareholders of the Company							Total shareholders' equity	
	Ordinary shares	Treasury stock	Other reserves	Statutory reserves	Cumulative translation adjustments	Retained earnings/ (accumulated losses)	Non-controlling interest		
	shares	amount	\$	\$	\$	\$	\$	\$	
<b>Balance as of 1 January 2014</b>	404,391,710	42,144	(2,890,213)	138,004,146	2,913,996	12,050,779	(26,645,235)	6,591,731	130,067,348
Loss for the year	-	-	-	-	-	-	(210,273)	967,644	757,371
Other comprehensive income:									
Translation adjustment	-	-	-	-	-	38,611	-	(21,239)	17,372
<b>Total comprehensive income for the year</b>	-	-	-	-	-	38,611	(210,273)	946,405	774,743
Stock-based compensation	-	-	-	62,000	-	-	-	-	62,000
Transfer from Accumulated losses to statutory reserve	-	-	-	-	401,922	-	(401,922)	-	-
<b>Balance as of 31 December 2014</b>	404,391,710	42,144	(2,890,213)	138,066,146	3,315,918	12,089,390	(27,257,430)	7,538,136	130,904,091

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In U.S. dollars, except share data)

Attributable to shareholders of the Company

	Ordinary shares shares	Ordinary shares amount \$	Treasury stock \$	Other reserves \$	Statutory reserves \$	Cumulative translation adjustments \$	Retained earnings/ (accumulated losses) \$	Non- controlling interests \$	Total shareholders' equity \$
<b>Balance as of 31 December 2014</b>	404,391,710	42,144	(2,890,213)	138,066,146	3,315,918	12,089,390	(27,257,430)	7,538,136	130,904,091
(Loss)/income for the period	-	-	-	-	-	-	(210,273)	967,645	757,372
Other comprehensive income:									
Foreign currency translation adjustments	-	-	-	-	-	152,201	-	62,488	214,689
<b>Balance as of 30 June 2015</b>	404,391,710	42,144	(2,890,213)	138,066,146	3,315,918	12,241,591	(27,467,703)	8,568,269	131,876,152

The accompanying notes are an integral part of these unaudited consolidated financial statements.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In U.S. dollars)

	For the six - month period ended 30 June	
	2014	2015
<b>Cash flow from operating activities</b>		
Profit from continuing operations before income tax	697,194	1,700,239
Loss from discontinued operations before income tax	(2,185,273)	(456,677)
	(1,488,079)	1,243,562
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Stock-based compensation expense	50,952	-
Depreciation	258,256	321,457
Amortization of intangible assets and impairment charge	410,090	185,578
Provision for doubtful debts	770,039	391,539
Provision for stocks obsolescence	193,580	-
Unrealised gain on quoted securities	(1,201,439)	(7,764,253)
Loss on disposal of property and equipment	18,906	1,505
Dividend income	-	(481,725)
Share of loss of associated company	-	43,503
Interest expense	163,645	179,219
Interest income	(367,664)	(553,583)
Net foreign exchange differences	(2,037,454)	5,565,428
	(1,741,089)	(2,111,332)
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivables	656,376	(1,992,431)
Increase in inventories	(231,097)	-
(Increase)/decrease in short-term investments	(219,671)	8,696,617
Increase in investment in associate company	-	(5,070,000)
Equity investment to other comprehensive income	-	(307,592)
(Increase)/decrease in other assets	(496,343)	345,091
Increase in accounts payable, accrued liabilities and other payables	2,143,000	180,805
Interest received	367,664	553,583
Interest paid	(163,645)	(179,219)
Income taxes received/(paid)	8,723	(263,438)
Dividend received	-	481,725
<b>Net cash generated (used in)/from operating activities</b>	(1,164,161)	1,577,371
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(243,952)	(781,876)
<b>Net cash used in investing activities</b>	(243,952)	(781,876)
<b>Cash flow from financing activities:</b>		
Proceeds from bank borrowings	679,481	-
Repayment of bank loans	-	(225,491)
<b>Net cash from/(used in) financing activities</b>	679,481	(225,491)
Effect of currency translation on cash and cash equivalents	(65,970)	53,897
<b>Net (decrease)/increase in cash and cash equivalents</b>	(794,602)	623,901
<b>Cash and cash equivalents at beginning of period</b>	28,274,207	19,224,315
<b>Cash and cash equivalents at end of period</b>	27,479,605	19,848,216

The accompanying notes are an integral part of these unaudited consolidated financial statements.

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In U.S. dollars, unless otherwise stated)**

**1. BASIS OF PRESENTATION OF HALF-YEAR FINANCIAL STATEMENTS**

MNC Media Investment Ltd is a company incorporated in the Cayman Islands and this report meets requirements of the Cayman Islands regulations.

The accompanying consolidated financial statements for the interim half-year reporting period ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by MNC Media Investment Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The principal accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year.

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The accompanying notes are an integral part of these unaudited consolidated financial statements.

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
 (In U.S. dollars, unless otherwise stated)

**2. CASH AND CASH EQUIVALENTS**

	<b>31 December 2014</b>	<b>30 June 2015</b>
	\$	\$
Cash	6,774,557	12,331,249
Time deposits with tenor < 90 days	12,449,758	7,516,967
Total	<u>19,224,315</u>	<u>19,848,216</u>

Interest income earned from the above cash and cash equivalents amounted to \$193,385 and \$235,187 for the six - month period ended 30 June 2014 and 2015, respectively.

**3. SHORT-TERM INVESTMENTS**

	<b>31 December 2014</b>	<b>30 June 2015</b>
	\$	\$
Quoted securities, at market value	74,232,784	76,839,330
Time deposits with tenor > 90 days	17,689,420	8,992,803
Total	<u>91,922,204</u>	<u>85,832,133</u>

Net unrealized gain of \$1.2 million and \$7.8 million for the periods ended 30 June 2014 and 2015, respectively was recorded on the marked-to-market valuation of these held-for-trading quoted investment. Such amounts were recorded in other operating income.

Net unrealised foreign exchange difference on short-term investments amounted to gain \$1.8 million and a loss of \$5.2 million as at 30 June 2014 and 2015, respectively.

As of 31 December 2014 and 30 June 2015, all time deposits have original maturity terms more than three months and are due within one year.

**4. ACCOUNTS RECEIVABLES, NET**

	<b>31 December 2014</b>	<b>30 June 2015</b>
	\$	\$
Accounts receivable	8,973,781	11,354,346
Less: Allowance for doubtful receivables	<u>(2,186,154)</u>	<u>(2,400,832)</u>
	<u>6,787,627</u>	<u>8,953,514</u>
Movement in allowance for doubtful receivables:		
Balance at beginning of period	(1,898,807)	(2,186,154)
Additional provision	(291,249)	(207,173)
Translation difference	3,902	(7,505)
Balance at the end of period	<u>(2,186,154)</u>	<u>(2,400,832)</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
 (in U.S. dollars, unless otherwise stated)

5. PROPERTY AND EQUIPMENT

	<u>Buildings</u>	<u>Computer hardware and other equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Motor vehicles</u>	<u>Total</u>
<b>Cost or valuation</b>						
Balance at 1 January 2015	10,212,685	4,948,834	1,369,707	1,026,495	151,639	17,709,360
Additions	—	743,572	24,111	14,193	—	781,876
Exchange translation differences	(220,877)	12,147	(89,398)	(12,420)	2,171	(308,377)
Disposals	—	(51,231)	—	—	—	(51,231)
Balance at 30 June 2015	9,991,808	5,653,322	1,304,420	1,028,268	153,810	18,131,628

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
 (in U.S. dollars, unless otherwise stated)

5. PROPERTY AND EQUIPMENT (Continued)

	<u>Buildings</u>	<u>Computer hardware and other equipment</u>	<u>Office Equipment</u>	<u>Leasehold improvements</u>	<u>Motor vehicles</u>	<u>Total</u>
<b>Accumulated depreciation</b>						
Balance at 1 January 2015	(1,257,722)	(3,939,097)	(1,313,783)	(1,000,233)	(62,075)	(7,572,910)
Depreciation	(110,348)	(130,865)	(34,792)	(32,404)	(13,048)	(321,457)
Exchange translation differences	24,614	(56,451)	44,154	21,327	—	33,644
Disposals	—	21,091	—	—	—	21,091
Balance at 30 June 2015	(1,343,456)	(4,105,322)	(1,304,420)	(1,011,310)	(75,123)	(7,839,632)
<b>Net carrying amounts</b>						
Balance at 31 December 2014	8,954,963	1,009,737	55,924	26,262	89,564	10,136,450
Balance at 30 June 2015	8,648,352	1,548,000	—	16,958	78,686	10,291,996

The Group incurred loss of \$18,906 and \$1,505 from disposal of property and equipment during the six - month period ended 30 June 2014 and 2015, respectively.

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(In U.S. dollars, unless otherwise stated)

**6. ACCOUNTS PAYABLE, ACCRUED LIABILITIES AND OTHER PAYABLES**

	31 December 2014 \$	30 June 2015 \$
Accounts payable	5,024,444	1,090,069
Accrued payroll and welfare benefits	1,510,944	5,017,882
Accrued professional and consulting fees	302,449	262,555
Accrued VAS content fees	1,663,708	2,479,240
Accrued expenses	63,576	2,811,988
Other payables	1,088,836	847,864
<b>Total</b>	<u><u>9,653,957</u></u>	<u><u>12,509,598</u></u>

**7. RELATED PARTY TRANSACTIONS**

Due from/(to) related parties include:

	31 December 2014 \$	As of 30 June 2015 \$
Due from related parties	<u>1,674,844</u>	<u>1,391,117</u>
Due to related parties	<u>(1,934,060)</u>	<u>(2,045,457)</u>

The Group and the following entities are under the common control:

- 1) Infokom
- 2) PT Rajawali Citra Televisi Indonesia ("RCTI")
- 3) Global TV
- 4) Sky Vision
- 5) PT Cipta Televisi Pendidikan Indonesia ("MNC TV")

The accompanying notes are an integral part of these unaudited consolidated financial statements.



**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(In U.S. dollars, unless otherwise stated)**

**7. RELATED PARTY TRANSACTIONS (Continued)**

- (i) In October 2009, PT Linktone entered into cooperation agreements with Infokom and PT Media Nusantara Tbk ("MNC"). Infokom is an Indonesia corporation and a subsidiary of GMC. Pursuant to these agreements, PT Linktone operated its VAS business in Indonesia through the VAS access numbers owned by Infokom and MNC. In 2011, PT Linktone has successfully changed the ownership of VAS access number owned by MNC to PT Linktone.

For the six – month period ended 30 June 2014 and 2015, total revenue generated from the use of short codes owned by Infokom was \$0.8 million and \$0.1 million respectively. As of 31 December 2014 and 30 June 2015, amounts due from Infokom were \$0.8 million and \$0.7 million.

As at 31 December 2014 and 30 June 2015, PT Linktone recorded total fees payable to Infokom of \$44,633 and \$41,614 respectively.

- (ii) Short-term investments

In 2013, the Group purchased 140 million shares of PT MNC Land TBK, a related party of the Group. Net unrealized gain of \$1.2 million and \$7.8 million on the market-to-market valuation of these quoted investments were recorded as other operating income for the six - month period ended 30 June 2014 and 2015 respectively.

- (iii) Credit facility

In July 2012, a bank in Singapore extended a term loan of S\$2 million (US\$ 1.6 million) and credit facility to the Group's subsidiary, InnoForm, with a total facility limit of S\$10 million (US\$7.4 million), a sub-limit of S\$3 million (US\$2.4 million) for overdraft facility. The facilities are secured by a corporate guarantee from MNC. As of 31 December 2014 and 30 June 2015, the Group utilized S\$9.7 million (US\$7.5 million) and S\$9.2 million (US\$7.2 million) of the credit facility granted.

- (iv) Distribution of MNC content

In January 2012, Innoform International Ltd ("IIL") entered into a distributorship agreement with MNC International Ltd ("MIL") whereby MIL agreed to appoint IIL to be its non-exclusive distributor to distribute and market certain television programs and channels outside of Indonesia. MIL is an indirect subsidiary of PT Global Mediacom Tbk. ("GMC"). As compensation, IIL is entitled to any income generated from the distribution of such programs and channels after paying certain fixed fees to MIL. For the six - month ended 30 June 2014 and 2015, IIL generated \$0.6 million and \$1.08 million in revenues from this distributorship agreement. As of 30 June 2015 and 31 December 2014, \$1.6 million was payable to MIL, from IIL.

- (v) Loan from related party

In 2012, PT Linktone obtained a loan of IDR 5.0 billion (US\$0.5 million) from MNC at interest rate of 8% per annum. As of 30 June 2015, this loan of IDR 5.0 billion (US\$0.5 million) is still outstanding.

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The accompanying notes are an integral part of these unaudited consolidated financial statements.

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
 (in U.S. dollars, unless otherwise stated)

**8. SEGMENT INFORMATION**

As at 31 December 2014 and 30 June 2015 and for the six - month period ended 30 June 2014 and 2015, the Group operates in four business segments - China VAS, mobile game; Indonesia Digital Media; Media content; and Investment, based on the different product operating segments. Pursuant to IFRS 8, the Group presents summarised statement of operations and net assets information by segment below, as used by the Group's chief operating decision maker ("CODM").

Statement of Operations Information:

	30 June 2014			
	China VAS, mobile game	Indonesia Digital Media	Media content	Investment
Revenues	20,526,098	1,555,933	1,192,714	23,274,745
Segment cost of revenue	(14,723,070)	(908,189)	(800,780)	(16,432,039)
Segment gross profit	5,803,028	647,744	391,934	6,842,706
Segment operating expenses	(6,450,406)	(1,413,688)	(439,540)	(1,146,382)
Segment profit/(loss) from operations	(647,378)	(765,944)	(47,606)	(1,146,382)
Other (expenses)/income	(431,595)	(16,944)	610,725	3,142,319
Discontinued operations	342,921	-	(2,528,194)	-
Segment profit/(loss) before taxes	(736,052)	(782,888)	(1,965,075)	1,995,937
				(1,488,078)
	30 June 2015			
	China VAS, mobile game	Indonesia Digital Media	Media content	Investment
Revenues	39,090,201	1,252,651	2,038,775	42,381,627
Segment cost of revenue	(29,774,614)	(316,568)	(1,562,099)	(31,653,281)
Segment gross profit	9,315,587	936,083	476,676	10,728,346
Segment operating expenses	(8,963,496)	(1,542,600)	(463,743)	(1,233,349)
Segment profit/(loss) from operations	352,091	(606,517)	12,933	(1,233,349)
Other (expenses)/income	222,162	(19,294)	(155,799)	3,127,977
Discontinued operations	(42,969)	-	(413,708)	-
Segment profit/(loss) from operations before taxes	531,284	(625,811)	(556,574)	1,894,628
				(456,677)
				1,243,527

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
 (in U.S. dollars, unless otherwise stated)

8. SEGMENT INFORMATION (Continued)

Statement of Financial Position Information:

	31 December 2014			
	China VAS, mobile game	Indonesia Digital Media	Media content	Total
Current assets	29,724,388	2,633,242	4,265,902	124,958,148
Non-current assets	7,324,502	16,850,564	9,736,276	33,911,342
Total assets	37,048,890	19,483,806	14,002,178	158,869,490
Current liabilities	(7,790,522)	(3,329,257)	(13,834,166)	(25,954,310)
Non-current liabilities	(445,691)	(1,565,112)	(286)	(2,011,089)
Total liabilities	(8,236,213)	(4,894,369)	(13,834,452)	(27,965,399)
<b>Net assets</b>	<b>28,812,677</b>	<b>14,589,437</b>	<b>167,726</b>	<b>130,904,091</b>
	30 June 2015			
	China VAS, mobile game	Indonesia Digital Media	Media content	Total
Current assets	24,796,719	2,150,003	3,398,004	120,602,154
Non-current assets	12,783,987	16,989,631	9,139,643	38,913,261
Total assets	37,580,706	19,139,634	12,537,647	159,515,415
Current liabilities	(10,862,420)	(3,632,030)	(12,787,267)	(25,731,697)
Non-current liabilities	(446,612)	(1,513,074)	(3,909)	(1,907,566)
Total liabilities	(11,309,032)	(5,145,104)	(12,791,176)	(27,639,263)
<b>Net assets</b>	<b>26,271,674</b>	<b>13,994,530</b>	<b>(259,529)</b>	<b>131,876,152</b>

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
 (In U.S. dollars, unless otherwise stated)

9. OTHER OPERATING INCOME

	31 December 2014 \$	30 June 2015 \$
Unrealised gain on Investment in Marketable Securities	1,201,439	7,764,253
Dividend income	-	481,725
	<u>1,201,439</u>	<u>8,245,978</u>

10. DISCONTINUED OPERATIONS

The Group ceased DVD and Personal Computer ("PC") games product lines in 2014. In addition, during the six - month period ended 30 June 2015, the Group discontinued the Karaoke and Music Box businesses. Therefore, the assets and liabilities related to the DVD, PC games, Karaoke and Music Box divisions of the Group are classified as discontinued operations on the unaudited consolidated statement of financial position, and the results are presented separately on the unaudited consolidated statement of operations and comprehensive income/(loss).

The results of the discontinued operations for the six - month period ended 30 June 2014 and 2015 are as follows:

	For the six - month ended 30 June	
	2014 \$	2015 \$
Revenue	3,577,548	880,813
Cost of revenue	<u>(3,240,797)</u>	<u>(479,137)</u>
Gross profit	336,751	401,676
Total operating expenses	(2,548,079)	(632,249)
Operating loss	<u>(2,211,328)</u>	<u>(230,573)</u>
Finance loss - net	(70,212)	(142,669)
Gain/(loss) on foreign exchange - net	31,171	(187,631)
Other gain - net	64,200	105,680
Loss from discontinued operations before income tax	<u>(2,186,169)</u>	<u>(455,193)</u>
Income tax expense	896	(1,484)
<b>Net loss</b>	<u>(2,185,273)</u>	<u>(456,677)</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
 (In U.S. dollars, unless otherwise stated)

10. DISCONTINUED OPERATIONS (Continued)

The impact of the discontinued operations on the Statement of Financial Position of the Group is as follows:

	For the six - month ended 30 June	
	2014 \$	2015 \$
Accounts receivable, net	1,351,373	516,921
Tax refund receivable	97,664	85,271
Deferred tax assets	48,412	-
Deposits and other current assets	412,485	161,062
	<u>1,909,934</u>	<u>763,254</u>
Property and equipment, net	84,606	27,782
	<u>84,606</u>	<u>27,782</u>
<b>Total Assets</b>	<u><u>1,994,540</u></u>	<u><u>791,036</u></u>
Accounts payable, accrued liabilities and other payables	4,007,335	1,372,407
Deferred tax liabilities	21,237	3,909
Deferred revenue	147,782	-
<b>Total Liabilities</b>	<u><u>4,176,354</u></u>	<u><u>1,376,316</u></u>

11. PRIOR YEAR COMPARATIVES

As disclosed in Note 9, the Group ceased DVD and PC games product lines in 2014. In addition, during the six - month period ended 30 June 2015, the Group discontinued the Karaoke and Music Box businesses. As such, prior year comparative figures have been restated to present the discontinued operations as a separate line items in the unaudited consolidated statement of financial position and the unaudited consolidated statement of operations and comprehensive income/(loss).

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
 (In U.S. dollars, unless otherwise stated)

11. PRIOR YEAR COMPARATIVES (Continued)

	31 December 2014	
	(Previous)	(Restated)
<b>Consolidated Statement of Financial Position:</b>		
Assets		
Current assets:		
Accounts receivable, net	7,325,028	6,787,627
Deposits and other current assets	3,023,501	2,937,345
Assets of discontinued operations	1,398,154	1,994,540
Non-current assets :		
Property and equipment, net	10,109,279	10,136,450
	<u>21,855,962</u>	<u>21,855,962</u>
Liabilities and shareholders' equity		
Current liabilities:		
Account payable, accrued liabilities and other payables	10,814,969	9,653,957
Liabilities of discontinued operations	3,011,351	4,176,354
Non-current liabilities :		
Deferred tax liabilities	1,910,922	1,906,931
	<u>15,737,242</u>	<u>15,737,242</u>
<b>Consolidated Statements of Operations and Comprehensive Income</b>	<b>For the 6 months period ended 30 June 2014</b>	
	(Previous)	(Restated)
Revenue	26,852,293	23,274,745
Cost of revenue	(19,672,836)	(16,432,039)
Gross profit	7,179,457	6,842,706
Selling and marketing	(1,085,230)	(877,120)
General and administrative	(7,842,184)	(5,502,215)
Finance income	204,019	274,231
Gain/ (Loss) on foreign exchange - net	1,850,923	1,819,752
Other gain / (loss), net of other expenses	73,282	9,082
Income tax benefit	(214,140)	(215,036)
Discontinued Operations	-	(2,185,273)

The accompanying notes are an integral part of these unaudited consolidated financial statements.