

WONHE MULTIMEDIA COMMERCE LIMITED

(ABN 71 607 288 755)

ASX LISTING RULES – APPENDIX 4D**FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2018**

The following information is prepared in accordance with ASX Listing Rule 4.2A.3

1. Reporting period and previous corresponding period

Reporting period: - the half year ended 30 June 2018

Previous corresponding period: - Not applicable

2. Results for announcement to the market

Half year ended	30 June 2018 \$000	30 June 2017 \$000	\$000 Increase / (Decrease)	% Increase / (Decrease)
2.1 Revenue from continuing operations	41,211	42,209	(998)	(2.36%)
2.2 Profit from continuing activities after tax attributable to members	6,056	5,354	702	13.11%
2.3 Net profit for the period attributable to members	6,056	5,354	702	13.11%
2.4 Dividends (distributions)		Amount per security	Franking amount per security	Franked %
Interim dividend (proposed)		Nil	Nil	0%
2.5 Record date for determining entitlements to the dividend			N/A	
2.6 Commentary on "Results for Announcement to the Market"				
A brief explanation of any of the figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Financial Report for the Half Year ended 30 June 2018.				

3 Net Tangible Assets per Security

	30 June 2018 cents	30 June 2017 cents	cents Increase/ (Decrease)	% Increase/ (Decrease)
Net tangible assets per security	47.52	40.52	7.00	17.27%

4. Details of entities over which control has been lost during the period

None

5. Dividends

			Amount per security	Franked amount per security at 30% tax
	Record Date	N/A		
Interim dividend	Payable:	N/A		
Ordinary shares			Nil	-

6. Details of dividend reinvestment plans

None.

7. Details of Associates and Joint Ventures

Not applicable

8. Foreign entities, Accounting Standards used in this report

All accounts compiled using Australian Accounting Standards.

9. Dispute or qualification of reviewed accounts

The financial report has been subject to review and is not subject to any dispute or qualification.



Raymond Lim

Director

31 August 2018

**WONHE MULTIMEDIA COMMERCE LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 71 607 288 755

**Financial Report for the Half Year ended
30 June 2018**

WONHE MULTIMEDIA COMMERCE LIMITED
TABLE OF CONTENTS

Table of Contents

DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	8
DIRECTORS' DECLARATION	13
INDEPENDENT AUDITOR'S REVIEW REPORT	14

WONHE MULTIMEDIA COMMERCE LIMITED

DIRECTORS' REPORT

The Directors of Wonhe Multimedia Commerce Limited (the "Company") submit herewith the interim Financial Report on the Company and its controlled entities (the "Group") for the half year ended 30 June 2018.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Mr Qing Tong	Executive Chairman
Mr Nanfang (Jack) Tong	Executive Director
Mr Jun Li	Non-Executive Director .
Mr Raymond Lim	Non-Executive Director
Mr Francesco Cannavo	Non-Executive Director Resigned on 29 August 2018

Company Secretary

Mr Justyn Stedwell	Company Secretary
---------------------------	-------------------

Principal Activities

The WONHE operating subsidiary company is Shenzhen WONHE Technology Co., Ltd ("Shenzhen WONHE"), a company incorporated in China. Shenzhen WONHE derives revenues from the sale of the Commercial Routers, receives a commission from the retail sales to users who purchase products from a retailer via the WONHE App and derives revenue from targeted advertisements. Shenzhen WONHE also owns the user data that is compiled and aggregated from its Commercial Routers.

The WONHE business operates solely within the People's Republic of China.

Operating Results and Financial Position

During the period the Group made a profit of \$6.056 million (2017: \$5.354 million) after a tax expense of \$0.516 million (2017: \$3.113 million). Net assets at 30 June 2018 were \$72.206 million (31 December 2017: \$63.743 million), constituted largely of cash and cash equivalents of \$52.750 million (31 December 2017: \$70.468 million).

The Group outflowed \$20.866 million (2017: \$9.802 million inflow) in cash from operations. No dividends were paid during the period (2017: \$0.894 million). The Group has not declared an interim dividend at 30 June 2018.

Rounding of Amounts

The amounts contained in this report and in the interim financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The company is an entity to which the Class Order applies. Amounts in the directors' report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

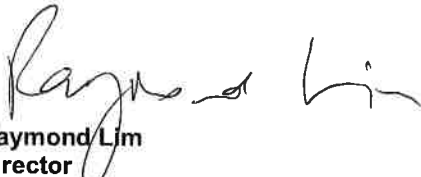
After Balance Date Events

The Board is not aware of any other matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

WONHE MULTIMEDIA COMMERCE LIMITED
DIRECTORS' REPORT

Signed in accordance with a resolution of the Directors made pursuant to s.303 (4) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Raymond Lim', is written over the printed name.

Raymond Lim
Director
31 August 2018



INP Sydney
Suite 1205, 227 Elizabeth Street, Sydney, NSW 2000
Telephone: 1300 168 368

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Wonhe Multimedia Commerce Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2018, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

INP Sydney

Christopher Wong
Partner

Sydney

31 August 2018

WONHE MULTIMEDIA COMMERCE LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Note	30 June 2018 \$'000	30 June 2017 \$'000
Continuing operations			
Revenue from Sale of Goods	3	41,211	42,209
Finance revenue	3	174	157
Cost of goods sold		(26,778)	(28,125)
Research and development expenses		(3,664)	(1,713)
Directors' expenses and fees		(44)	(44)
Depreciation of property, plant and equipment		(78)	(74)
Selling expenses		(3,579)	(435)
General and administrative expenses		(670)	(496)
Impairment of loan		-	(3,011)
Other expenses		-	(1)
Profit before income tax		6,572	8,467
Income tax expense		(516)	(3,113)
Net Profit for the half year		6,056	5,354
Other Comprehensive income			
<i>Items that may be reclassified to profit or loss in the future:</i>			
Exchange differences on translation of foreign operations		2,407	(2,472)
Other comprehensive income /(loss) net of tax		2,407	(2,472)
Total comprehensive income		8,463	2,882
Net Profit for the period is attributable to:			
Non-controlling interest		-	-
Owners of Wonhe Multimedia Commerce Limited		6,056	5,345
		6,056	5,345
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	-
Owners of Wonhe Multimedia Commerce Limited		8,463	2,882
		8,463	2,882
Basic earnings per share (cents per share)		3.99	3.52
Diluted earnings per share (cents per share)		3.99	3.52

The above statement should be read in conjunction with the accompanying notes.

WONHE MULTIMEDIA COMMERCE LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Note	30 June 2018 \$'000	31 December 2017 \$'000
Current Assets			
Cash and cash equivalents		52,750	70,468
Trade and other receivables		36,098	7,296
Loans advanced		-	-
Inventory		2	3
Total Current Assets		88,850	77,767
Non-Current Assets			
Property, plant and equipment		396	454
Loans advanced		-	-
Deferred tax assets		669	1,414
Other receivable - deposit		31	29
Intangible assets		-	4
Total Non-Current Assets		1,096	1,901
Total Assets		89,946	79,668
Current Liabilities			
Trade and other payables		3,017	1,728
Loans from ultimate parent entity	4	14,030	13,516
Loan from shareholders	4	693	681
Total current liabilities		17,740	15,925
Total Liabilities		17,740	15,925
Net Assets		72,206	63,743
Equity			
Issued capital	5	2,908	2,908
Retained earnings		22,293	16,237
Other reserves	6	41,479	39,499
Statutory reserve fund	7	5,526	5,099
Total Equity		72,206	63,743

The above statement should be read in conjunction with the accompanying notes.

WONHE MULTIMEDIA COMMERCE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Issued capital	Retained earnings	Statutory reserve	Other reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017	2,908	11,239	5,526	39,896	59,569
Profit for the half year	-	5,354	-	-	5,354
Other comprehensive income	-		(355)	(2,117)	(2,472)
Total comprehensive income for the half year	-	5,354	(355)	(2,117)	2,882
Appropriation of statutory reserve		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividends paid	-	(894)	-	-	(894)
As at 30 June 2017	2,908	15,699	5,171	37,779	61,557

	Issued capital	Retained earnings	Statutory reserve	Other reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018	2,908	16,237	5,099	39,499	63,743
Profit for the half year	-	6,056	-	-	6,056
Other comprehensive income	-		427	1,980	2,407
Total comprehensive income for the half year	-	6,056	427	1,980	8,463
Appropriation of statutory reserve	-	-	-	-	-
Transactions with owners in their capacity as owners:					
Dividends paid	-			-	
As at 30 June 2018	2,908	22,293	5,526	41,479	72,206

The above statement should be read in conjunction with the accompanying notes.

WONHE MULTIMEDIA COMMERCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Note	30 June 2018	30 June 2017
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		18,815	45,448
Payments to suppliers and employees		(37,685)	(32,611)
Interest received		174	163
Income and other taxes paid		(2,170)	(3,198)
Net cash (used in) / provided by operating activities		<u>(20,866)</u>	<u>9,802</u>
Cash flows from investing activities			
Payments for purchase of property, plant & equipment		-	(8)
Payments for project expenditure		-	-
Payments for intangible assets		-	-
Net cash (used in) investing activities		<u>-</u>	<u>(8)</u>
Cash flows from financing activities			
Dividends paid		-	(894)
Loans received from ultimate parent entity		-	-
Loans repaid to ultimate parent entity		-	(637)
Net cash (used in) financing activities		<u>-</u>	<u>(1,531)</u>
Net (decrease)/increase in cash held		(20,866)	8,263
Cash and cash equivalents at the beginning of the year		70,468	38,672
Effects of exchange changes on the balances held in foreign currencies		3,148	(2,378)
Cash and cash equivalents at the end of the year		<u>52,750</u>	<u>44,557</u>

The above statement should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a). BASIS OF PREPARATION

This general purpose financial report for the half year ended 30 June 2018 has been prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*', for the Company and its controlled entities as a consolidated group (the "Group"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'. The Group is a "for-profit" entity for financial reporting purposes under Australian Accounting Standards.

The half year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 31 December 2017 and considered together with any public announcements made by Wonhe Multimedia Commerce Limited during the half year ended 30 June 2018 in accordance with the continuous disclosure obligations of the ASX listing rules. Comparative figures have been adjusted to conform with changes in presentation for the current period.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report.

The Group's principle activities are the design and development of software and hardware technology products for distribution in the People's Republic of China.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2018 that are mandatory to the current reporting period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

Impact of standards issued but not yet applied by the entity

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not yet mandatory for the current reporting period and have not been early adopted by the Group. The major accounting standards that have not been early adopted, but will be applicable to the Group in future reporting years, are detailed below. Apart from these standards, the Group has considered other accounting standards that will be applicable in future years, however they have been considered insignificant to the Group.

- AASB 9 '*Financial Instruments*' includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 '*Financial Instruments: Recognition and Measurement*', which becomes mandatory for reporting periods beginning on or after 1 January 2018. The directors have yet to complete their assessment of how the adoption of this accounting standard will impact the financial report.
- AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 '*Revenue*', IAS 11 '*Construction Contracts*', and IFRIC 13 '*Customer Loyalty Programmes*'. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The directors have yet to complete their assessment of how the adoption of this accounting standard will impact the financial report.
- AASB 16 '*Leases*' introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard becomes mandatory for reporting periods beginning on or after 1 January 2019. The directors have yet to complete their assessment of how the adoption of this accounting standard will impact the financial report.

WONHE MULTIMEDIA COMMERCE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2018

1. BASIS OF PREPARATION (CONT'D)

Rounding Amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

2. SEGMENT INFORMATION

The Company views only one segment in the operation and treats the operation in terms of revenue and costs, as well as G&A expenses as a whole. Although the Company can breakdown the revenue from each type of product, as well as the direct cost associated with the purchase, management does not operate it as separate segments therefore management consider that Segment reporting disclosure is not necessary for the Company based on the current operation model.

	30 June 2018	30 June 2017
	\$'000	\$'000
3. REVENUE		
Sale of Home media and Routers	41,211	42,209
Interest income	174	157
	<u>41,385</u>	<u>42,366</u>

4. LOAN FROM RELATED PARTIES

	30 June	31 December
	2018	2017
	\$'000	\$'000
Amounts payable to parent entity (i)	14,030	13,516
Amounts payable to related parties (ii)	693	681
	<u>14,723</u>	<u>14,197</u>

(i) Parent entity loan

The loan is at call and non-interest bearing. The loan is unsecured.

WONHE High-Tech International, Inc is the ultimate entity. It has a receivable arising for the amounts loaned to Shenzhen WONHE to fund the capital expenditure related to the Beijing Wireless Network Project, which has since discontinued. The liability is at call, and has no formal terms in relation to interest or repayments.

(ii) Related party loans

Amounts were provided to the Group by Wonhe International Holding Group Co., Ltd, a company 100% owned by Mr Qing Tong, the Company's Executive Chairman. The loan is at call and non-interest bearing. There is no security provided against the loan.

WONHE MULTIMEDIA COMMERCE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2018

5. CONTRIBUTED EQUITY

	NUMBER OF SHARES		SHARE CAPITAL	
	30 JUNE 2018	31 DECEMBER 2017	30 June 2018 \$'000	31 December 2017 \$'000
Ordinary shares – fully paid (no par value)	151,951,802	151,951,802	2,908	2,908
Total Share Capital			<u>2,908</u>	<u>2,908</u>

Terms and Conditions of Issued Capital

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands each holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

	30 June 2018 \$'000	31 December 2017 \$'000
6. RESERVES		
Foreign currency translation reserve	(4,125)	(6,105)
Other reserve – common control transaction	45,604	45,604
	<u>41,479</u>	<u>39,499</u>

(i) Nature and Purpose of Reserves

Foreign currency translation reserve

This reserve is used to record the exchange differences arising on translation of foreign operations where the foreign operations functional currency is different from the Group's presentation currency.

Common control transaction

In August 2016 the Company entered into a Share Sale Agreement with World Win International Holdings Group Ltd, the Company acquired 100% of the shares in Kuayu International Holdings Group Ltd ("Kuayu"). The ultimate controlling party of the Group prior to the acquisition of Kuayu remained the ultimate controlling party of the Group after the acquisition. Consequently, the transaction was deemed to be between entities under common control and therefore did not qualify for accounting under AASB 3 *Business Combinations*. The assets and liabilities were incorporated into the Group at their pre-combination carrying amounts without any adjustments for fair values, and no goodwill has been recorded on the transaction. The difference between the carrying value of the net assets and the cost of the transaction has been recorded directly in equity.

7. STATUTORY RESERVE

Pursuant to corporate law of PRC, Shenghihe and Shenzhen WONHE are required to transfer 10% of their net income, as determined under PRC accounting rules and regulations, to a statutory reserve fund.

8. DIVIDENDS

The Company has not proposed to pay an interim dividend at 30 June 2018.

WONHE MULTIMEDIA COMMERCE LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2018

9. CONTROLLED ENTITIES

NAME OF ENTITY	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	EQUITY HOLDINGS	
			30 June 2018 %	31 December 2017 %
Kuayu International Holdings Group Ltd	PR China	No trading activities	100	100
Shenzhen WONHE Technology Co., Ltd	PR China	Sale of domestic and commercial routers	100	100
Shengshihe Consulting Co., Ltd	PR China	Consulting	100	100

The ultimate parent entity of the Group is WONHE High-Tech International Inc., a company incorporated in the USA.

10. COMMITMENTS

Capital commitments

There are no commitments for acquisition of plant and equipment contracted for at the reporting date.

Operating Leases

There are no significant changes to commitments in relation to operating leases from those disclosed in the Financial Report for the year ended 31 December 2017.

11. CONTINGENT LIABILITIES

There are no matters which the Group consider would result in a contingent liability as at the date of this report.

12. EVENTS OCCURRING AFTER REPORTING DATE

Other than the proposed dividend the directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

13. SIGNIFICANT RESTRICTIONS

According to Chinese laws and regulations, in the event that the Company needs to finance its Chinese operations in the future, it is able to provide funding by means of capital contributions to Shenzhen WONHE and/or loans to Shengshihe. These loans would be subject to applicable government registration and approval requirements.

Cash transfers from Chinese subsidiaries to their parent companies outside China are subject to government control of currency conversion, and the Company may receive the majority or all of its revenues in RMB. Under the current corporate structure of the WONHE Group, the Company's income is primarily derived from its China subsidiaries. Under existing Chinese foreign exchange regulations, payment of current account items, including profit distributions, interest payments and expenditures from trade-related transactions can be made in foreign currency without prior regulatory approval by complying with certain procedural requirements.

As profit and dividends are current account items, the profit and dividends generated in China may be paid to shareholders outside China without prior approval, as long as the Company complies with certain procedural requirements. However, the Chinese government also may, at its discretion, restrict access in the future to foreign currencies for current account transactions. If changes to the foreign exchange control system prevents the Company's China subsidiaries' from obtaining sufficient foreign currency to satisfy their currency demands, they may not be able to pay dividends in foreign (non-RMB) currencies to the Company.

Any inability to obtain the requisite approval for converting RMB into foreign currencies, any delays in obtaining such approval or future restrictions on currency exchange may restrict the ability of the Company's China Subsidiaries to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy its obligations.

The level of cash held by the Company's PRC based subsidiaries was \$52.468 million at 30 June 2018 (31 December 2017: \$69.999 million).

In addition, under PRC regulations, the Company's operating subsidiary, Shenzhen WONHE, may pay dividends only out of its accumulated profits, determined in accordance with the accounting standards and regulations prevailing in the PRC ("PRC GAAP").

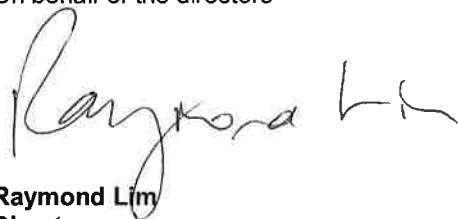
WONHE MULTIMEDIA COMMERCE LIMITED
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Raymond Lim', with a stylized flourish at the end.

Raymond Lim
Director

31 August 2018
Melbourne

Independent Auditor's Review Report to the members of Wonhe Multimedia Commerce Limited and Its Controlled Entities

Report on the Half -Year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Wonhe Multimedia Commerce Limited (the Company) and its Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

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 Wonhe Multimedia Commerce Limited and Its Controlled Entities is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001*.

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 for the review of the Half-year Financial Report

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 Engagement 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 Group's financial position as at 30 June 2018 and its performance for the Half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations*

Liability limited by a scheme approved under Profession Standards Legislation



INP Sydney
Suite 1205, 227 Elizabeth Street, Sydney, NSW 2000
Telephone: 1300 168 368

Independent Auditor's Review Report to the members of Wonhe Multimedia Commerce Limited and Its Controlled Entities

2001. As auditor of Wonhe Multimedia Commerce Limited and Its Controlled Entities, 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 enquires, primarily of persons responsible for the 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.

Auditor's Independence Declaration

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 Wonhe Multimedia Commerce Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

INP Sydney

Christopher Wong
Partner
Sydney
31 August 2018