

REELTIME MEDIA LIMITED

(Subject to Deed of Company Arrangement)

(ABN: 67 085 462 362)

Half-Year Financial Report

Six Months Ended 31 December 2007

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
DIRECTORS REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

Your directors present their report on the consolidated entity and the entities it controlled for the half year ended 31 December 2007.

Directors

The names of directors in office at any time during or since the end of the half year are:

Name	Date appointed	Date ceased
N. J (John) Karantzis	10 February 2006	15 November 2007
Alistair MacKinlay	10 February 2006	5 February 2008
Jim Zavos	16 January 2008	11 February 2008
Andrew Wilshire	16 January 2008	6 March 2008
Stephen Johnston	10 February 2006	30 May 2008
Frank Allan Brown	16 October 2006	30 May 2008
Aaron John Finlay	3 July 2008	1 September 2008
Nadine Faye Donovan	3 July 2008	1 September 2008
Gregory Douglas Pennefeather	3 July 2008	1 September 2008
Brian Keith McAlister	1 September 2008	12 April 2010
Jack Robert James	1 September 2008	12 April 2010
Gabriel Ehrenfeld	9 April 2010	5 December 2014
Richard Ochojski	9 April 2010	17 April 2015
Jason Donald Rooke	9 April 2010	6 November 2014
James Mawhinney	1 August 2014	20 July 2015
Keith Donald Attwood	5 December 2014	20 July 2015
Michael Hui	20 July 2015	
John Knights	20 July 2015	
Georgina Varley	20 July 2015	

Review of Operations

The consolidated loss of the economic entity after providing for income tax and eliminating outside equity interests amounted to \$7,467,080 (December 2006 loss (\$3,551,696)).


The past year has been difficult for ReelTime as the business model has not produced revenue as quickly as it was projected. This has put strain on the Company resources. The Company has been successful in accessing capital to continue its business.

During the half year ReelTime raised \$4, 211,848 in funds from investors which it invested into its subsidiary ReelTime Infotainment Ltd. These funds were used to grow the Infotainment business.

Auditor's declaration

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 has been received and can be found on page 3 of the Directors' report.

Signed for and on behalf of, the Board in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.



Michael Hui
Non-Executive Chairman

20 October 2015

Partners:

Richard L S Hill
BCom FCA FCPA (PNG)

David G Sharp
BCom FCA

T +61 2 9200 4500
E admin@dfkrichardhill.com.au
W www.dfkrichardhill.com.au

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF REELTIME MEDIA LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) AND
CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half-yearly ended 31 December 2007 there have been no contraventions of:

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



John Skinner

Date: 20 October 2015

Address: Level 2, 32 Martin Place Sydney 2000

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

Contents	Page
Financial Report	4
Consolidated Statement of Profit and Loss and Other Comprehensive income	5
Consolidated Balance Sheet	6
Consolidated statement of changes in equity	7
Consolidated Cashflow Statement	8
Notes to the consolidated financial statements	9
Directors' declaration	14
Independent review report to the members	15

This financial report covers the consolidated entity consisting of ReelTime Media Limited (Subject to Deed of Company Arrangement) and its controlled entities.

ReelTime Media Limited (Subject to Deed of Company Arrangement) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

ReelTime Media Limited (Subject to Deed of Company Arrangement)
Level 11
153 Walker St
North Sydney NSW 2060

A description of the nature of the consolidated entity's operation and its principal activities is included in the review of operations and activities on page 2 and in the directors' report on page 2.

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Half year 31 December 2007	Half year 31 December 2006
Revenue	8,003	189,229
Expenses		
Advertising & marketing	(39,000)	-
Depreciation and Amortisation Costs	-	(412,271)
Finance Costs	(176,063)	-
IP connection	(86,000)	-
Legal / Audit / Advisor fees	(101,500)	(89,012)
ASX & Share Registry fees	(29,786)	-
Executive Share Option costs	-	(257,219)
Staff Costs	(513,000)	(1,521,265)
Office Expenses	-	(432,717)
Travel related costs	-	(156,681)
Video content and costs	(36,000)	(584,000)
Other Expenses	(330,010)	(287,760)
Assets written off	(3,682,083)	-
Expenses unaccounted for.	(2,481,641)	-
Total Expenses	(7,475,083)	(3,740,925)
Loss before income tax	(7,467,080)	(3,551,696)
Income tax expense	-	-
Loss for the half year	(7,467,080)	(3,551,696)
Other Comprehensive income/(losses)	-	-
Loss attributable to members of Reeltime Media Ltd	(7,467,080)	(3,551,696)
Basic earnings per share	(1.648)	(1.308)
Diluted earnings per share	(1.648)	(1.308)

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
CONSOLIDATED BALANCE SHEET
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	31 December 2007	30 June 2007
Balance Sheet		
Current Assets		
Cash and Cash equivalents	22,661	8,572
Trade and other receivables	2	525,889
Convertible note	-	1,000,000
prepayments	6,102	1,385,826
Total Current Assets	28,765	2,920,287
Non Current Assets		
Plant & equipment	-	1,453,365
Goodwill	-	399,998
Other Intangible assets	150,000	245,178
Investment XP Media Centre	8,100	-
Total Non Current Assets	158,100	2,098,541
Total Assets	186,865	5,018,828
Liabilities		
Current Liabilities		
Trade and Other payables	3,266,543	3,266,543
Borrowings	-	348,671
Total Current Liabilities	3,266,543	3,615,214
Non Current Liabilities		
Borrowings - Convertible notes	233,010	1,167,411
Total Non Current Liabilities	233,010	1,167,411
Total Liabilities	3,499,553	4,782,625
Net Assets	(3,312,688)	236,203
Equity		
Contributed equity	14,632,962	10,421,114
Reserves - Conv Notes	(0)	327,589
Reserves - Share Option	635,875	601,855
Accumulated profits / (Losses)	(18,581,435)	(11,114,355)
Total Equity	(3,312,688)	236,203

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Share Capital Ordinary	Retained Profits/ (Losses)	Reserves Share Option	Convertible Note	Total
Balance as at 1 July 2006	7,627,069	(3,299,178)	110,386		4,438,277
Issue of share capital	2,339,012				2,339,012
Cost of share issues	(123,725)				(123,725)
Loss for the period		(3,551,696)			(3,551,696)
Share options			257,219		257,219
Balance as at 31 December 2006	9,842,356	(6,850,874)	367,605	-	3,359,087
Balance as at 1 July 2007	10,421,114	(11,114,355)	601,855	327,589	236,203
Issue of share capital	3,916,848				3,916,848
Cost of share issues	(5,000)				(5,000)
Share based Payments Expenses	150,000				150,000
Share based payment for investment	150,000				150,000
Loss for the period		(7,467,080)			(7,467,080)
Options issued			33,930		33,930
Convertible notes				(327,589)	(327,589)
Balance as at 31 December 2007	14,632,962	(18,581,435)	635,785	(0)	(3,312,688)

The accompanying notes form part of these financial statements

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

	Half year 31 December 2007	Half year 31 December 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inc of GST)	8,000	53,068
Payments to Suppliers and employees (inc GST)	(4,047,662)	(2,788,115)
Interest received	3	20,636
Net cash (outflow) from operating activities	(4,039,659)	(2,714,411)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	-	(58,814)
Purchase of other assets	(150,000)	(76,008)
Investment XP Media Centre	(8,100)	-
Loans to other entities	-	-
Net cash (outflow) from investing activities	(158,100)	(134,822)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	4,216,848	2,339,012
Payment of share issue costs	(5,000)	(123,725)
Payment to Creditors trust		
Repayment of finance lease		(31,962)
Net cash inflow from financing activities	4,211,848	2,183,325
Net (decrease)/increase in cash and cash equivalents	14,089	(665,908)
Cash and cash equivalents at the beginning of the half-year	8,572	1,461,120
Cash and Cash equivalents at the end of the half-year	22,661	795,212

The accompanying notes form part of these financial statements

REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose financial report for the half-year reporting period ended 31 December 2007 has been prepared in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2007 and any public announcements made by Reeltime Media Limited (Subject to Deed of Company Arrangement) during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted in this interim financial report are the same as those policies applied in the 2007 Annual Report.

The Company has adopted all of the new and revised standards and interpretations issued by the Australian accounting standards board that are relevant to its operations and effective for the current period. This adoption has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported in the current and prior periods.

(a) Going Concern

The half-year financial report has been prepared on the going concern basis, as the group contemplates continuing normal business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

Since the December 2007 half year period the Company has operated under Deeds of Company Arrangement (DOCA) and is currently operating under such a Deed. However, the board of directors feel that the new DOCA is sufficiently financed to enable the Company to continue to operate to find new investments that will lead to the recapitalisation of the Company and the removal of the suspension of trading of the Company's shares on the Australian Securities Exchange (ASX).

2. ISSUED CAPITAL

	31 December 2007	31 December 2006
(a) Issued and Paid up Capital		
Fully paid ordinary shares	453,181,839	271,505,345
Paid up Capital	\$14,632,962	\$9,842,356

(b) Movements in issued and Paid up Capital during the half year

	Number of Shares	Issue Price (Cents)	Amount (\$)
Balance at 30 June 2007	283,031,761		20,037,200
5/7/2007 Finance Costs	2,272,727	0.022	49,999.99
5/7/2007 Finance Costs	4,347,826	0.023	100,000.00
28/8/2007 Equity Facility from Cornell Capital	3,409,091	0.0154	52,500.00
28/9/2007 Acquisition of xpmediacentre.com.au website	6,000,000	0.025	150,000.00
3/10/2007 Funds from Supplementary Disclosure Document dated 9/08/2007	31,363,930	0.025	784,098.25
Sony Pictures Television Pty Ltd under the term of the agreement and announced to the ASX on 23/04/2007.	17,000,000	0.053	901,000.00
3/10/2007 Issued under the terms of the Convertible Note dated 29/06/2007.	19,480,520	0.0154	300,000.01

4/10/2007 Issued under the terms of the Convertible Note dated 29/06/2007.	1,298,701	0.0154	20,000.00
10/10/2007 Convertible Note conversion	40,000,000	0.025	1,000,000.00
17/10/2007 Issued under the terms of the Convertible Note dated 29/06/2007.	2,597,402	0.0154	39,999.99
19/10/2007 Placement to Sophisticated Investors	4,000,000	0.025	100,000.00
26/10/2007 Cornell Capital - Equity Drawdown facility	5,142,857	0.0175	90,000.00
7/11/2007 Issued under the terms of the Convertible Note dated 29/06/2007.	8,766,235	0.0154	135,000.02
8/11/2007 Cornell Capital - Equity Drawdown facility	3,539,823	0.0226	80,000.00
20/11/2007 Cornell Capital - Equity Drawdown facility	3,535,912	0.0181	64,000.01
29/11/2007 Share purchase plan existing shareholders	1,910,000	0.025	47,750.00
30/11/2007 Cornell Capital - Equity Drawdown facility	3,472,233	0.01728	60,000.19
4/12/2007 Issued to pay for Expenses	4,000,000	0.025	100,000.00
12/12/2007 Yorkville advisors (previously Cornell Capital) - Equity Drawdown facility	3,846,154	0.0156	60,000.00
24/12/2007 Yorkville advisors (previously Cornell Capital) - Equity Drawdown facility	4,166,667	0.0144	60,000.00
Total 31 December 2007	453,181,839		24,231,548

(c) Options

The Company did not issue any Options during the December 2007 half year. The options on issue at 31 December 2007 are listed below:

	Expiry date / Duration	Number	In Escrow	Exercise Price	Total Cost \$	Expensed amount until 31 December 2007
Unlisted Options Granted on 5 April 2006	22/01/2009	9,900,000	None	0.20	610,820	377,370
Unlisted Options Granted on 5 April 2006	22/01/2009	6,800,000	None	0.30	255,330	157,745
Unlisted Options Granted on 5 April 2006	22/01/2009	4,500,000	None	0.50	70,850	43,772
Unlisted Options Granted on 28 November 2006	22/01/2009	2,500,000	None	0.20	17,500	17,500
Unlisted Options Granted on 28 November 2006	22/01/2009	1,250,000	None	0.30	4,375	4,375
Unlisted Options Granted on 28 November 2006	22/01/2009	1,250,000	None	0.50	1,094	1,094
Unlisted Options Granted on 2 July 2007	14/06/2009	1,000,000	None	0.06	20,090	20,090
Unlisted Options Granted on 2 July 2007	14/06/2009	1,500,000	None	0.10	5,740	5,740
Unlisted Options Granted on 28 September 2007	28/09/2010	6,000,000	None	0.03	5,700	5,700
Unlisted Options Granted on 28 September 2007	28/09/2010	3,000,000	None	0.07	1,300	1,300
Unlisted Options Granted on 28 September 2007	28/09/2010	3,000,000	None	0.10	1,100	1,100

3. SEGMENT REPORTING

The Consolidated entity operated in one geographical segment during the year, being in Australia, and one business segment being the provision of Internet Protocol Television (IPTV) content operator, offering traditional media product (television programs and movies) via broadband.

4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No contingent liabilities or contingent assets existed at the reporting date.

5. DIVIDENDS

No dividends have been paid or provided for during the half-year ended 31 December 2007.

6. EVENTS OCCURRING AFTER BALANCE DATE

On 16 January 2008 an agreement was signed to work with EzyDVD. This would have resulted in 26,254,606 ORD Fully Paid Shares being issued and 1,312,730 Options at \$0.065, 1,312,730 Options at \$0.010 expiring on 31 December 2009 in accordance with AGM shareholder approval and a Deed of Agreement signed on 16 January 2008.

On 16 January 2008 Mr Jim Zavos the founder and CEO of EzyDVD and Mr Andrew Wilshire the then CEO of Reeltime Media Ltd (Subject to Deed of Company Arrangement) were appointed to the board of Directors.

On 5 February 2008 Mr Alistair McKinlay resigned as a director.

On 11 February 2008 the Directors of Reeltime Infotainment Ltd, the operating subsidiary of Reeltime Media Ltd (Subject to Deed of Company Arrangement) appointed a Voluntary Administrator, Michael Dwyer.

On 11 February 2008 Mr Jim Zavos resigned as a director.

As a result of the appointment of the administrator to Reeltime Infotainment Ltd, the agreement with EzyDVD was terminated and the shares and options were never issued.

On 6 March 2008 Mr Andrew Wilshire resigned as a director.

On 7 March 2008 Mr Darren Wearver and Mr Andrew Saker of Ferrier Hodgson were appointed joint and several administrators of Reeltime Media Limited (Subject to Deed of Company Arrangement) pursuant to Section 436A of the Corporations Act.

At a meeting of creditors on 9 May 2008 it was voted to execute a Deed of Company Arrangement (DOCA) contained in the Administrators' report and certain subsidiaries of the Company be wound up. The DOCA embodied a reconstruction and recapitalisation proposal by Delshore Nominees Pty Ltd. The DOCA was subsequently executed on 30 May 2008.

The DOCA, subject to conditions being met, required that an amount of \$550,000 be made available for the satisfaction of creditors claims and to meet the costs of the Administrator.

A Notice of Meeting of shareholders was prepared and sent to shareholders on 1 August 2008. On 27 August 2008 a prospectus was lodged to raise funds to pay the amounts required under the DOCA. On 2 September 2008 a meeting of shareholders was held and shareholders approved proxies that were received in order to pass all the requirements of the DOCA.

Following an application by Maylord Equity Management Pty Ltd (a creditor under convertible notes issued in 2007) to the Supreme Court of New South Wales, the Supreme Court issued an order that the DOCA be set aside and Messrs Martin Jones, Andrew Saker and Darren Weaver of Ferrier Hodgson resume as joint and several Administrators of the Company. As a result, the resolutions to approve the DOCA were not put to the meeting.

Following a meeting of creditors on 7 October 2008, a Deed of Company Arrangement was entered into on 28 October 2008.

On 4 April 2009, a meeting of creditors was held and the DOCA was amended based on a proposal by RMA Acquisition Trust. This Deed was executed on 5 June 2009. At this point all creditors were transferred to a creditors trust.

A new board of directors was appointed on 9 April 2009 who attempted to resurrect the IPTV business and begin recapitalising the Company.

On 15 September 2009 a meeting of shareholders approved the resolutions that were a condition of the DOCA creating the RMA Acquisition Trust. This involved a share consolidation of 66:1. (i.e. 1 share for every 66 shares held). 380 million shares were issued to Steinbruck Capital Pty Ltd, 36,500,000 to the RMA Acquisition Trust and 5,000,000 to the Reeltime Creditors Trust. 40,000,000 options exercisable at 0.02 cents by 31 December 2012 were also issued to Steinbruck Capital Pty Ltd. Steinbruck Capital and the RMA Acquisition trust are related parties to Mr Gabriel Ehrenfeld, who was a director of the Company during this period.

In the 2013 financial year, Gabriel Ehrenfeld, a director of the Company, exercised 40,000,000 options in return for \$800,000 in outstanding Directors fees. The Company also began acquisitions of internet and computer based businesses. These acquisitions had an emphasis on digital media design businesses that used the internet to help businesses win new and keep existing customers via internet marketing.

The Company set up a wholly owned subsidiary, Tohill Pty Ltd, that purchased 100% of Hillier Pty Ltd from Mr James Mawhinney. Hillier Pty Ltd owned the Position me Online business. Mr Mawhinney subsequently became the CEO of the Company. The shares for the Hillier acquisition were not issued until the 2014 financial year. Level 91 Pty Ltd was also acquired and the deal completed in the 2013 financial year.

In the 2014 financial year, the Company continued to announce acquisitions and completed some further acquisitions. In April 2014, the CEO of the Company, Mr James Mawhinney, was removed as CEO. After this time, rent was not paid on the operating business address and the Company was locked out of its premises. The landlord subsequently discarded many of the Group's records. It also appears registration and subscriptions for internet based accounting software packages were not paid and so many accounting records were also lost.

In May 2014, Reeltime acquired the Design Experts business. This is the sole business of Reeltime that is still operating at the date of this financial report.

On 1 August 2014, Mr James Mawhinney was reappointed as CEO and was also appointed as a Director of the Company. Work towards acquisition of more businesses and a capital raising to remove the Company's suspension of trading on the ASX continued.

Mr Gabriel Ehrenfeld resigned as a director on 5 December 2014. Mr Keith Attwood was appointed a director on 5 December 2014.

On 15 April 2015, the Australian Securities and Investments Commission ("ASIC") applied to the Supreme Court of New South Wales to wind up:

- (a) the Company;
- (b) DE Digital Pty Ltd;
- (c) DE Personnel Pty Ltd;
- (d) Ocean Feather Pty Ltd;
- (e) Paricia Pty Ltd; and
- (f) Zaramamma Pty Ltd,

on just and equitable grounds.

On 21 April 2015, the following entities were placed into Voluntary Administration pursuant to a resolution of the directors and/or directors of the relevant companies:

- (a) the Company;
- (b) DE Digital Pty Ltd;
- (c) DE Personnel Pty Ltd;
- (d) Ocean Feather Pty Ltd;
- (e) Paricia Pty Ltd;
- (f) Zaramamma Pty Ltd; and
- (g) Digital Facilities Management Pty Ltd.

On 4 May 2015, the Court ordered that ASIC's application be adjourned until 27 July 2015 for the purposes of a further directions hearing.

On 30 June 2015, the creditors of the Company and DE Digital Pty Ltd resolved that those companies execute a deed of company arrangement. The creditors of the remaining entities resolved to place those entities not subject to the deed of company arrangement into liquidation.

The current Directors were appointed on 20 July 2015 and have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the year ended 30 June 2015, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

As at 30 June 2015, the status of the Group's entities are as follows:

- (a) Reeltime Media Limited (Subject to Deed of Company Arrangement);
- (b) DE Digital Pty Ltd (Subject to Deed of Company Arrangement);
- (c) DE Personnel Pty Ltd (In Liquidation);
- (d) Ocean Feather Pty Ltd (In Liquidation);
- (e) Paricia Pty Ltd (In Liquidation);
- (f) Zaramamma Pty Ltd (In Liquidation); and
- (g) Digital Facilities Management Pty Ltd (In Liquidation).

The Group's operations have been adversely affected by the placing of its entities into external administration. The Group's sole operations are now the ownership and operating of the "Design Experts" business (a digital media marketing business) by its subsidiary, DE Digital Pty Ltd.

On 20 July 2015, a deed of company arrangement was entered into between the Administrators, the Company, DE Digital Pty Ltd and Arowana Partners Group Pty Ltd ("Arowana") ("the DoCA").

The DoCA provides for the following:

- (a) the Administrators to be appointed as deed administrators of the DoCA;
- (b) the payment of \$625,000 by Arowana into a deed fund to be made available to all creditors of the Company and DE Digital Pty Ltd;
- (c) the establishment of a creditors trust (with the Administrators appointed as trustees of the trust) to receive and distribute the deed fund to the creditors of the Company and DE Digital Pty Ltd;
- (d) at a meeting of the shareholders of the Company to be held within 3 months from the date of execution of the DoCA (or such other date within 45 business days of such date as agreed by the parties), the shareholders must approve the necessary resolutions to give effect to:
 - (i) a consolidation of shares on issue on a 1:17 basis;
 - (ii) the issue of 300 million ordinary shares to raise \$1.5 million as follows:
 - (A) 100 million shares at \$0.001 per share;
 - (B) 100 million shares at \$0.005 per share;
 - (C) 50 million shares at \$0.008 per share; and
 - (D) 50 million shares at \$0.010 per share;
 - (iii) the issue of 50 million options at \$0.010 per option to raise \$500,000.

As part of the DoCA process, the Company is undertaking those steps necessary to apply for the resumption of trading in its securities on the official list prior to 1 January 2016.

On 27 July 2015, ASIC's application against the Company and DE Digital Pty Ltd was adjourned to 26 October 2015. The proceedings against the remaining Group entities were discontinued as they entered liquidation on 30 June 2015.

**REELTIME MEDIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ABN 67 085 462 362 AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

The Directors of the Company declare that:

We have been unable to satisfy ourselves as to the completeness and accuracy of all the transactions recorded in the Company's accounting records that occurred prior to our appointment as Directors on 20 July 2015.

The Company entered into a Deed of Company Arrangement on 20 July 2015 and has continued to carry on its core business activities since that date with complete and accurate accounting records. The current Directors have used their best endeavours, working with the Administrators, Company's former officers and directors, and Company's advisers, to prepare and present this financial report for the half year ended 31 December 2007, a period prior to their appointment. Given the difficulties referred to in the review of operations and loss of some company records, certain information was not available for inclusion in this financial report.

The Directors are confident that at the date of this report, financial records, processes and controls are adequate to safeguard the ongoing business operation.

In the opinion of the current Directors of the Company, except for the effects of such adjustments, if any, that might have been determined to be necessary had we been able to verify all of the transactions which took place during the reporting period and prior to the date of our appointment:

1. the financial statements and notes as set out on pages 4 to 13:
 - a. Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b. Give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half year ended on that date.
2. In the directors opinion, as indicated in Note 1(a), subject to the successful recapitalisation of the Company, 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 Board of Directors and is signed for and on behalf of the directors by:



Michael Hui
Non-Executive Chairman
20 October 2015

**REELTIME MEDIA LIMITED ABN 67 085 462 362 (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
AND CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS**

Report on the Half-Year Financial Report

I have reviewed the accompanying half-year financial report of Reeltime Media Limited which comprises the condensed consolidated statement of financial position as at 31 December 2007, condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant 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-yearly 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

My responsibility is to express an opinion on the half-year financial report based on conducting the review in accordance with Australian Auditing Standards.

Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate review evidence to provide a basis for a review opinion.

Independence

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

Basis for Disclaimer of Auditor's Review Opinion

1. The Company together with 5 subsidiary companies which were acquired/set up in the later years, were placed in administration on 21 April 2015. A further 4 subsidiary companies were placed in liquidation on 31 December 2014. Consequently, the financial information relating to the year under audit was not subject to the same accounting and internal controls processes, which includes implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, I was unable to satisfy myself as to the completeness of the general ledger and financial records as well as the relevant disclosures in the half yearly financial report.
2. As stated in the Director's Report, the Company was locked out of its premises by the landlord which has caused loss of records.

Basis for Disclaimer of Auditor's Review Opinion (continued)

3. The comparative figures relating to half year end 31 December 2007 are subject to an Audit qualification relating to comparative figures.

As a result of the above factors, the current Directors are unable to state that the half-yearly financial report is in accordance with all the requirements of the Corporations Act 2001 and the Australian Accounting Standards.

Disclaimer of Auditor's Review Opinion

In my opinion:

Because of the existence of the limitation on the scope of my work, as described in the Basis for Disclaimer of Auditor's Review Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, I am unable to, and do not express, an opinion as to whether the half- yearly financial report of Reeltime Media Limited is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Company's financial position as at 31 December 2007 and of their performance for the half-year ended on that date;
- ii) Complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'John Skinner', with a large loop at the end.

John Skinner

Address: Level 2, 32 Martin Place Sydney 2000

Dated this 20 day of October 2015