

CHINA INTEGRATED MEDIA CORPORATION LIMITED

ACN 132 653 948

Appendix 4E

Preliminary Report

For the Financial Year Ended 31 December 2012

Appendix 4E

Preliminary Final Report

Name of entity

China Integrated Media Corporation Limited

ACN 132 653 948

Financial year ended 31 December 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Group			
	Year ended 31 December 2012	Year ended 31 December 2011	Movements	Movements
	A\$	A\$	A\$	%
Revenue from ordinary activities	21,550	107,005	(85,455)	79.86
Profit/(Loss) from ordinary activities after tax attributable to members	(476,742)	(374,473)	(102,269)	27.31
Net profit / (loss) for the year attributable to members	(476,742)	(374,473)	(102,269)	27.31

Dividend

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

Consolidated Statement of Comprehensive Income Statement
For the year ended 31 December 2012

		Group	
		Year ended 31 December 2012	Year ended 31 December 2011
	Note	A\$	A\$
REVENUE			
Revenue from operating activities		21,550	107,005
Interest income		2	200
Total revenue		<u>21,552</u>	<u>107,205</u>
EXPENDITURES			
Audit fee	6	3,200	2,800
Consultancy fee		51,397	105,561
Cost of revenue		-	10,513
Employee costs		22,143	25,874
Occupancy costs	6	19,333	13,027
TV Production costs		-	89,357
Professional fee		1,024	20,178
Other expenses		11,321	20,721
Registration fee		871	5,273
Travel and accommodation expenses		21,294	19,703
Total expenditure costs		<u>130,583</u>	<u>313,007</u>
EBITA		(109,031)	(205,802)
Depreciation and amortization	6	(70,165)	(94,633)
Exchange gain		(2,980)	5,597
Finance costs	6	(11,252)	(12,866)
Realized loss on marketable securities		(242,870)	-
Unrealized loss on marketable securities		(212,945)	(47,140)
Gain on disposal of sign boards		35,209	-
Gain on disposal of subsidiaries		129,104	-
LOSS BEFORE INCOME TAX		<u>(484,930)</u>	<u>(354,844)</u>
Taxation expense		-	-
Loss for the year		<u>(484,930)</u>	<u>(354,844)</u>
Profit attributable to minority equity interests		8,188	(19,629)
Loss for the year attributable to members of the Company		<u><u>(476,742)</u></u>	<u><u>(374,473)</u></u>

China Integrated Media Corporation Limited

Consolidated Statement of Balance Sheet
As at 31 December 2012

		Group	
		2012	2011
	Note	A\$	A\$
CURRENT ASSETS			
Cash and cash equivalents		26,267	20,367
Marketable securities		629,354	536,485
Other receivables and deposits		83,237	313,268
Deposits for IPTV		-	202,725
Inventory		998,313	7,322
Account receivables		124	127
Due from a director		-	67,873
Due from related parties		-	17,661
Total current assets		1,737,295	1,165,828
NON CURRENT ASSETS			
Property and equipment, net		2,486	1,486,957
Total non current assets		2,486	1,486,957
TOTAL ASSETS		1,739,781	2,652,785
CURRENT LIABILITIES			
Other payables		257,473	406,852
Accrued liabilities		6,299	106,369
Customer deposit		-	2,475
Deposit subscription		5,000	7,000
Convertible loans		87,100	87,100
Loan from related parties		1,075,780	1,276,322
Total current liabilities		1,431,652	1,886,118
NET ASSETS		308,129	766,667
EQUITY			
Issued capital	7	1,552,475	1,552,475
Accumulated losses	8	(1,175,226)	(698,484)
Comprehensive income		(69,120)	(118,293)
Non-controlling minority interests		-	30,969
TOTAL EQUITY		308,129	766,667

China Integrated Media Corporation Limited

Consolidated Statement of Changes in Shareholders' Equity
For the year ended 31 December 2012

GROUP	Issued Capital A\$	Accumulated Losses A\$	Comprehensive Income A\$	Non- Controlling interests A\$	Total A\$
31 December 2010 and 1 January 2011	1,165,475	(324,011)	(70,344)	11,340	782,460
Issue of shares for cash	350,000	-	-	-	350,000
Issue of shares for services	37,000	-	-	-	37,000
Loss for the year	-	(374,473)	-	-	(374,473)
Comprehensive income	-	-	(47,949)	-	(47,949)
Loss for the year non-controlling interests	-	-	-	19,629	19,629
31 December 2011 and 1 January 2012	1,552,475	(698,484)	(118,293)	30,969	766,667
Loss for the year	-	(476,742)	-	-	(476,742)
Comprehensive income	-	-	49,173	-	49,173
Loss for the year non-controlling interests	-	-	-	(30,969)	(30,969)
31 December 2012	1,552,475	(1,175,226)	(69,120)	-	308,129

Consolidated Cash Flow Statement
For the year ended 31 December 2012

	Group	
	Year ended 31 December 2012	Year ended 31 December 2011
Note	A\$	A\$
CASHFLOWS FROM OPERATING ACTIVITIES		
Net loss	(476,742)	(374,473)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation	70,165	94,633
Unrealized loss on marketable securities	212,945	47,140
Loss on disposal of subsidiaries	(129,104)	-
Gain on disposal of sign boards	(35,209)	-
Profit attributable to minority interest	(8,188)	19,629
Net cashflows from changes in working capital	9 (1,094,990)	948,232
NET CASH (OUTFLOWS) / INFLOWS FROM OPERATING ACTIVITIES	(1,461,123)	735,161
CASH INFLOWS FROM INVESTING ACTIVITIES		
Disposal / (Purchase) of property and equipment	1,449,515	(1,055,377)
Disposal of subsidiaries, net of cash	(1,662)	-
Investment in subsidiaries	-	-
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES	1,447,853	(1,055,377)
CASH FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	387,000
NET CASH INFLOWS FROM FINANCING ACTIVITIES	-	387,000
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(13,270)	66,784
Effect of exchange rate changes on cash and cash equivalents	19,170	(47,949)
Cash and cash equivalents at the beginning of the financial year	20,367	1,532
CASH AND CASH EQUIVALENT AT END OF FINANCIAL YEAR	26,267	20,367

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: Basic Preparation

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

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

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

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

NOTE 2: Compliance with AIFRS

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

NOTE 3: Details of Dividends or Distributions

No dividend was paid or proposed during the year.

NOTE 4: Details of Dividend/Distribution Reinvestment Plan

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

NOTE 5: Ratios

Earnings / (loss) per share

	2012 cent	2011 cent
Basic EPS (cents per share)	(1.4)	(1.1)

Net tangible asset backing

	2012 cent	2011 cent
Net tangible asset backing per ordinary security (cents per security)	3.1	6.0

NOTE 6: Loss from Ordinary Activities

	Group	
	Year ended 31 December 2012 A\$	Year ended 31 December 2011 A\$
Finance Costs:		
- Related party	3,200	3,199
- Loan fee	-	1,600
- Convertible notes	8,052	8,067
Total finance costs	11,252	12,866
Depreciation of non-current assets:		
- Computers	3,845	6,545
- Mini Sign Boards	64,376	85,833
- Furniture, fixtures and equipment	1,944	2,255
Total depreciation	70,165	94,633
Rental expense on operating lease	19,333	13,027
Income tax expense / (benefit)	-	-
Auditor remuneration for:		
- Audit services	3,200	2,800
- Other services	715	-
Total auditor remuneration	3,915	2,800

NOTE 7: Issued Capital

(a) Share capital

Group and Company

	31 December 2012		31 December 2011	
	Number of shares	A\$	Number of shares	A\$
Ordinary Shares fully paid	<u>35,012,833</u>	<u>1,552,475</u>	<u>35,012,833</u>	<u>1,552,475</u>
(b) Movements in ordinary share capital				
	Number of Shares		A\$	
31 December 2011 & 1 January 2012	35,012,833		1,552,475	
Issue of shares during the year	-		-	
31 December 2012	<u>35,012,833</u>	<u>1,552,475</u>	<u>35,012,833</u>	<u>1,552,475</u>

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

(c) Options on issue

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

NOTE 8: Accumulated Losses

	Group	
	Year ended 31 December 2012 A\$	Year ended 31 December 2011 A\$
Balance at beginning of financial year	698,484	324,011
Net loss for the financial year	476,742	374,473
Balance at end of financial year	<u>1,175,226</u>	<u>698,484</u>

NOTE 9: Cashflow Information

	Group	
	Year ended 31 December 2012 A\$	Year ended 31 December 2011 A\$
CASHFLOWS FROM CHANGES IN WORKING CAPITAL		
(Increase)/Decrease in assets:		
Marketable securities	(305,814)	809
Other receivable and deposit	18,062	(276,796)
Amount due from former subsidiaries	178,097	-
Amount due from related parties	17,661	620
Deposit for IPTV	202,725	(8,957)
Inventory	(990,991)	(7,322)
Account receivables	3	(127)
Due from a director	50,108	(67,873)
Increase / (Decrease) in liabilities:		
Other payables	(134,029)	108,469
Accrued expenses	(53,711)	71,680
Customer deposits	(2,475)	2,475
Deposit subscription	(2,000)	7,000
Loan from related parties	(72,626)	1,118,254
Amount due to subsidiaries	-	-
NET CASHFLOWS FROM CHANGES WORKING CAPITAL	<u>(1,094,990)</u>	<u>948,232</u>

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

10.1 Name of entity (or group of entities) over which control was gained	Dragon Creative Limited (“DCL”)
10.2 Date control was gained	17 October 2012 was for DCL
10.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of gain of control	No material contributions was made by DCL over which control was gained during the current year or previous corresponding year
10.4 Name of entity (or group of entities) over which control was lost	Guangzhou HwaHe Culture Media Limited (“GHCM”) Premium Multimedia Sdn. Bhd (“PMSB”)
10.5 Date control was lost	25 September 2012 for GHMC and PMSB
10.6 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	GHCM’s contributed to the loss from ordinary activities of the Group was a loss of \$13,800 for the current year until the date of lost of control and a loss of \$120,949 for the prior year. PMSB’s contributed to the loss from ordinary activities of the Group was a loss of \$2,623 for the current year until the date of lost of control and a profit of \$20,429 for the prior year.

NOTE 11: Contingencies

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

COMMENTARY ON THE RESULTS FOR THE YEAR 2012

The Group's principal activities during the course of the financial year were the development of the television business, the digital media / advertising business and the outdoor media business. However during the year, the Group determined to cease the television business until it is in a position to raise the necessary funding required for the business. The Group also disposed its outdoor media boards to concentrate on the digital advertising in glasses-free 3D (autostereoscopic) and lottery gaming business in China.

The Group's main activity during the financial year was the sale of advertising for the outdoor media business. The Group's television and digital media / advertising business were still in the development stage and did not contribute any revenue to the Group during the year.

During the financial year, the Group has recorded a revenue of A\$21,550 (2011: A\$107,005) and recorded a loss of the year of A\$476,742 (2011: A\$374,473).

During the year the Company determined to divest from its IPTV business in China and the outdoor media board businesses, and instead focus on the digital advertising in glasses-free 3D (autostereoscopic) and the lottery outlet business in China.

The Group also recognized an unrealized loss of A\$212,945 (2011: A\$47,140) and realized loss of A\$242,870 (2011: nil) from its investment in marketable securities.

The Company recognized a loss after tax for the financial year of \$24,933 (2011: A\$107,596).

In the prior year, in order for the Company to develop its intended business opportunities the Company issued a prospectus on the 9 September 2011 to raise funding from a minimum of A\$2,200,000 to a maximum of A\$6,000,000 at a price of A\$0.20 per share. This Prospectus was open during the financial year until on or about 17 September 2012 when the Prospectus lapsed.

On 12 December 2012 the issued another prospectus to raise funding from a minimum of A\$3,000,000 to a maximum of A\$5,000,000 at a price of A\$0.20 per share. On 22 December 2012, the Company issued a supplemental prospectus and the prospectus was open on that date. On 14 December 2012, the Company applied for the Company quoted on the official list on the Australia Stock Exchange pursuant to the Supplemental Prospectus dated 22 December 2012. Pursuant to the Supplemental Prospectus, the offer was closed on 20 February 2013 where the Company raised a total of A\$3,480,000. The Company's shares were quoted on the Australia Stock Exchange on 25 February 2013.

The focus of the Group is to continue to develop its digital media / advertising in glasses-free 3D (autostereoscopic) and lottery outlet activities, and the Board will be reviewing potential acquisitions that have the potential to add value to the Group.

Events Subsequent to Reporting Date

There were no significant events after the balance sheet date other than the close of the offer on the Supplemental Prospectus dated 21 December 2012 raising a total of A\$3,480,000 and the issuance of 500,000 ordinary shares in the Company to a consultant.

Compliance Statement

This report is based on accounts which are in the process of being audited. The audit report will be available with the Company's annual report in March 2013.



Sign here: _____

Chairman & CEO

Name: Con Unerkov

Date: 28 February 2013