MNC MEDIA INVESTMENT LTD

(ARBN 164 134 472)

AND ITS SUBSIDIARIES

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

CORPORATE PROFILE

Established in 1999, MNC Media Investment Ltd (formerly known as Linktone Ltd. herein referred to as “MMIL”, “the Company” or collectively with its subsidiaries as “the Group”) is a provider of rich and engaging services and content to a wide range of traditional and new media consumers and enterprises in Mainland China, Indonesia, and Singapore.

It focuses on media, entertainment, communication and edutainment products, which are promoted through the Group’s various nationwide distribution networks, integrated service platforms and multiple marketing sales channels, as well as through the networks of leading mobile operators in Mainland China and Indonesia.

MNC Media Investment Ltd’s shares are listed on the Australian Securities Exchange and quoted on the OTC Markets Group’s OTC Pink. It is a subsidiary of PT Global Mediacom Tbk which owns one of the largest and most integrated media groups in Southeast Asia.

EXECUTIVE CHAIRMAN'S MESSAGE

Dear Shareholders,

In FY 2021, the Group recorded a net loss of US$1.6 million with a total revenue of US$19.3 million. A net foreign exchange gain of US$0.02 million compared to a net loss of US$0.4 million in the previous financial year was also recorded due to improvement in foreign exchange exposures.

Social e-commerce remain the core businesses of the Group with continued growth through increasing number of users, strategic plan for product development and market expansion.

Financial Performance

The Group turnover increased 102% to US$19.3 million compared to FY 2020. Overall net loss for the period improved by approximately US$6.8 million, primarily as a result of improvement in foreign exchange condition of the Indonesian Rupiah denominated quoted investments.

In FY 2021, the social e-commerce business contributed 94.2% of the overall turnover of the Group whilst the remaining 5.8% was from the Group's telecommunication value added services (VAS).

The performance of the Group's social e-commerce business on parenting and edutainment portal, Fumubang (父母邦), rose sharply. Revenue of Fumubang rose by 116% to US$18.2 million in FY 2021 from US$8.4 million in FY 2020 as a result of increased sales in Family-oriented Edutainment Products and Activities.

The Future

FY 2021 was a recovering year for the Group due mainly to the improvement in Covid-19 situation in China, which prompted the Company to seize the opportunity by issuing exciting products that provided value to our customers.

In line with the every-increasing trend of social media and e-commerce worldwide, our key platform in China, Fumubang (父母邦), benefits from the continuous growth in the industry. Fumubang (父母邦) offers a comprehensive selection of specially packaged hotel accommodation and vacation for family, customized educational learning trips, tickets for performances and events, weekend activities and other online and direct travel services. There are currently 1.5 Million active users on our main portal as well as WeChat and App platforms (IOS and Android base) as of 31 December 2021.

We expect to still be benefited significantly from the new two-children policy that came into effect in China in January 2016. This policy is predicted to bring about 18 million new-borns by 2022. (Source: Asiaone "China's two-child policy working, birthrate figures show" (http://news.asiaone.com/news/asia/chinas-two-child-policy-working-birthrate-figures-show). This will have substantial impact on the demand for parenting, family-related and edutainment services which Fumubang (父母邦) is well-positioned with appropriate branding and expansion strategy. Our portfolio of specially-curated services and activities for young parents will be further enhanced to attract more users and leading brands as we continue to expand our partnerships across China. Fumubang (父母邦) will continue to see strong upside as it will remain a beneficiary of the continuing rapid adoption of mobile technology and other digital innovations in China. New innovations and service offerings are being developed to explore new avenues to meet the needs of our customers and expand our reach in the market share.

The Group will continue to innovate through various channels to further unlock the value of our businesses in order to achieve positive returns for our shareholders. One area could be acquiring more valuable copyrights and IP and apply them across multiple digital platforms to expand our revenue streams and market outreach.

Overall, we will stay prudent and vigilant against market risks arising from currency as well as socio-political and economic volatilities. We remain cautiously optimistic of our outlook in the coming years.

Acknowledgement

On behalf of the Board of Directors, I would like to extend my deepest appreciation and gratitude to our business partners, customers, suppliers and shareholders for the supports extended to the Group in the past year. I would also like to thank the management and employees for their commitment and dedication.

We look forward to your continued support and contribution in the coming years.

Hary Tanoesoedibjo
Executive Chairman

OPERATIONS AND FINANCIAL REVIEW

The key activities of the Group include operating online parenting and family-oriented entertainment portal as well as value added telecommunication service (VAS) in PRC.

Group Financial Performance Review

The Group achieved turnover of US$19.3 million in FY 2021, increased by 102% from US$9.6 million in FY 2020. The increase in revenues was predominantly contributed by the Group's parenting and family entertainment portal and was caused by the improvement in Covid-19 pandemic situation in PRC.

In FY 2021, the Group's net loss for the year improved to US$1.6 million from US$8.5 million in FY 2020. The improvement in net loss was primarily attributable as a follow up to the improvement of the revenue. The Group managed to reduce its operating expense by 11% compared to FY 2020, which also attributed to the improvement of the Group's net loss..

The Group's net loss attributable to ordinary shareholders improved to US$1.6 million (from US$8.5 million in the previous financial year) due to the improvement of foreign exchange resulting in reduced loss as well as lower operating expenses (and thus lower operating loss).

Earnings Per Share (EPS) and Net Asset Value (NAV) Per Share.

The Group's net loss per share from continuing operations stood at US$0.00 as of 31 December 2021 compared to US$0.02 as at the end of the previous financial year.

Net tangible asset value per share as of 31 December 2021 was US$0.19 compared to US$0.20 as at 31 December 2020.

Working Capital

The Group's financial position remains healthy.

Total current assets as of 31 December 2021 stood at US$40.1 million compared to US$40.3 million the previous year. The decrease was attributable to lower cash and cash equivalents, short-term investments, and deposits.

The total short-term investments decreased to US$36.9 million as of 31 December 2021 from US$37.3 million as of 31 December 2020 due to translation loss in FY 2021.

Assets of discontinued operations as of 31 December 2021 and 31 December 2020 still remain insignificant portion of total other current assets which were mainly in the forms of cash and cash equivalents and deposits of the discontinued business units.

Total current liabilities as of 31 December 2021 were US$16.2 million, which was an increase compared to US$10.8 million as of 31 December 2020. The increase was mainly due to higher accounts payable, accrued liabilities and other payables as well as higher taxes payable which was a result of increasing operation.

Segmental Performance / Review of Key Business Segments

Online portal business – social e-commerce, lifestyle / edutainment content and services

In FY 2021, our parenting and family entertainment portal in PRC, Fumubang, contributed 94.2% of the Group's total revenue compared to contribution of 88% in FY 2020. Fumubang's revenues increased by 116% from US$8.4 million in FY 2020 to US$18.2 million in FY 2021. The increase was a result of improving situation regarding Covid-19 pandemic in China where Fumubang has been able to seize the opportunity from recovering market.

In terms of social media and e-commerce, the key platform in PRC Fumubang (父母邦) benefits from the continuous growth in the industry. There are currently 2.2 Million active users on our main portal as well as WeChat and App platforms (IOS and Android base) as of 31 December 2021.

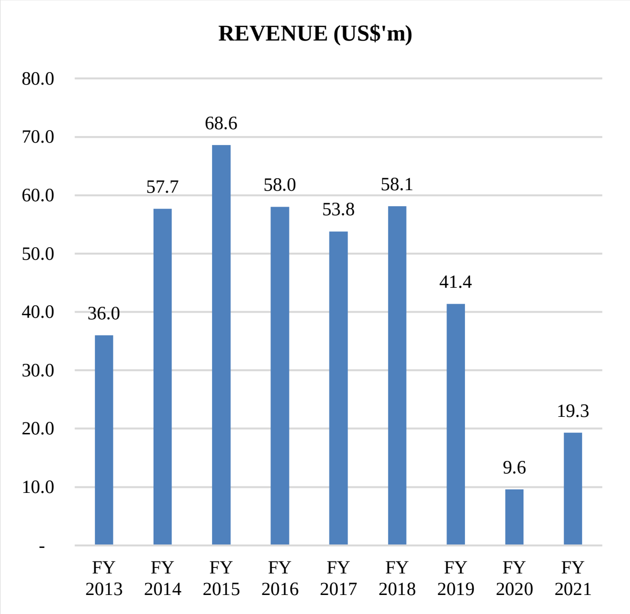
Telecommunication Value Added Services (VAS)

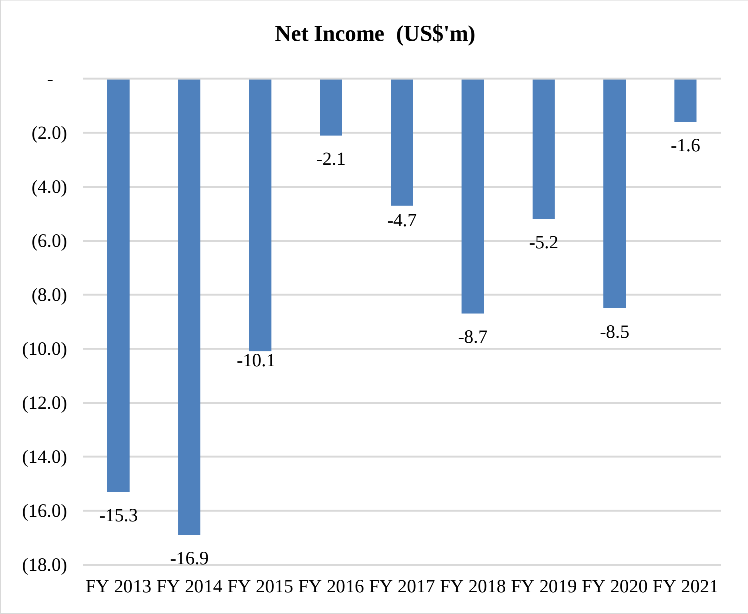
A value-added service (VAS) refers to services beyond standard voice calls and fax transmissions that are deployed to optimize a company's business model and strengthen its competitive edge. These include live streaming, music downloads, sports and infotainment services, location-based services, m-commerce, mobile advertising as well as phone back-up and security services among others. The Group's revenue from our VAS business in PRC remain constant at US$1.1 million in FY 2021 and FY 2020.

FINANCIAL HIGHLIGHTS

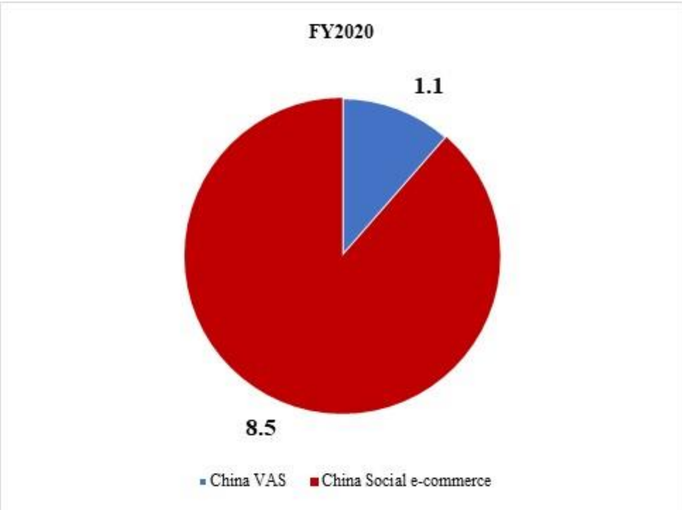
Financial year ended 31 December

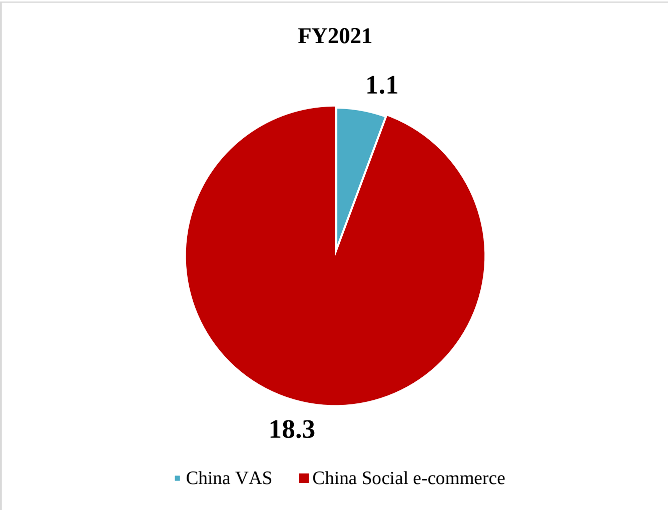
* *Per Share Data is based on basic weighted average number of ordinary shares of 404,391,710 in FY 2020 and FY 2017*
n.m. – not meaningful





Revenue by Business Segment (US$'m)





Current capital structure

Shares and American Depositary Shares (the "ADSs")

As of 31 December 2021, MMIL has 421,435,030 ordinary shares on issue all of which have been issued and outstanding. The total outstanding number of MMIL's ordinary shares held by shareholders and CDI holders as at 31 December 2021 is 421,435,030.

Some MMIL ordinary shares outstanding are listed on Australia Stock Exchange in the form of CHESS Depository Interests ("CDIs"). As of 31 December 2021, there were 39,192,278 CDIs listed on ASX. As 1 CDI represents 10 ordinary shares, 391,922,780 or 93.0% of MMIL's outstanding ordinary shares are held in the form of CDIs.

Each class of share voting rights is as follows:

1 Ordinary share = 1 vote
1 CDI = 10 votes

Shareholders and their holdings

Top 20 shareholders

Statement pursuant to the Australian Securities Exchange official list requirements:

The following tables provide information about holders of MMIL's ordinary shares as of 25 March 2022 based on information known to MMIL.

NAMES OF SHAREHOLDER	NO. OF ORDINARY SHARES HELD	% OF OUTSTANDING ORDINARY SHARES
CHESS Depositary Nominees Pty Ltd	391,922,780	93.00%
JPMorgan Chase Bank, N.A.	27,321,740	6.48%
Tan Peck Joo	500,000	0.12%
Mark McGoldrick	499,750	0.12%
Richard Scrase	249,940	0.06%
Sam Wisnia	124,910	0.03%
Greenacre Ventures Ltd.	118,082	0.03%
Jason Kushner	95,175	0.02%
Alireza Satrap	88,400	0.02%
Chris Brumbach	74,930	0.02%
Gerard Gennotte	74,930	0.02%
Scott Lawin	49,990	0.01%
Greg Tarr	47,700	0.01%
Michael Rafferty	47,700	0.01%
John Jessop	35,320	0.01%
Helga Nelsen Sulger	33,370	0.01%
National Financial Services LLC	25,000	0.01%
Andrew R. Dale	16,946	0.00%
Tim Mahr	16,000	0.00%
Rowena Wang	13,350	0.00%
Total: Top 20 holders of ordinary shares	**421,356,013**	99.98%
Total: Balance held by remaining holders	**79,008**	**0.02%**

Voluntary escrow
There are no MMIL securities under voluntary escrow.

Substantial holders
PT Global Mediacom Tbk indirectly owns 80,6% of the outstanding ordinary shares of MMIL as of 31 December 2021.

Distribution of CDI holdings

Range	Number of holders	Number of units (CDIs)	% to total units (CDIs)
0 - 1,000	2	901	0.00
1,001 - 5,000	1	3,200	0.01
5,001 - 10,000	-	-	-
10,001 - 100,000	1	56,784	0.14
100,001 – 9,999,999,999	7	39,131,393	99.84
Total	**11**	**39,192,278**	**100.00**

Unmarketable Parcels

As of 25 March 2022, there were 1 shareholder holding less than a marketable parcel of shares under the ASX Listing Rules. The ASX Listing Rules define a marketable parcel of shares as "a parcel of not less than AU$500".

Buy-back
There is not currently an on market buy-back.

Regulatory

The Company is incorporated in Cayman Islands.

The Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (i.e., substantial holdings and takeovers).

There are no limitations of the acquisition of securities imposed by the jurisdiction in which the Company is incorporated and there are no limitations on the acquisition of securities imposed under the Company's constitution.

Listing Rule 4.10.19
This listing rule is not applicable as MMIL did not raise equity on listing on the ASX.

Corporate governance

This Section explains how the Board manages the business activities of MMIL ("the Company"). The Board is responsible for the overall corporate governance of MMIL. The Board monitors the operational and financial position and performance of MMIL and oversees its business strategy including approving the strategic goals of MMIL. The Board is committed to maximising performance, generating appropriate levels of security holder value and financial return, and sustaining the growth and success of MMIL. In conducting business with these objectives, the Board is concerned to ensure that MMIL is properly managed to protect and enhance security holder interests, and that MMIL, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing MMIL including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for MMIL's business and which are designed to promote responsible management and conduct of MMIL.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities (**ASX Recommendations**) in order to promote investor confidence and to assist companies to meet stakeholders' expectations. The recommendations are not prescriptions, but guidelines.

This corporate governance statement is current as of 25 March 2022 and has been approved by the Board. There are several areas where MMIL departs from the ASX Recommendations as follows:

- there is no statement of matters reserved to the Board, and delegated to management (see "The Board and Management" for further explanation);
- there is no majority of independent Directors on the Board (see "Board Composition" for further explanation);
- the chairperson of MMIL is not independent and he is also the CEO of MMIL (see "Board Composition" for further explanation);
- MMIL does not have a policy concerning diversity nor does it set measurable objectives for achieving gender diversity (see "Diversity Policy" for further explanation);
- there is no process for evaluating the Board, committees and directors, and no performance evaluation has taken place (see "Performance Evaluation" for further explanation);
- the Audit Committee of MMIL consists of only one member (see "Audit Committee" for further explanation);
- disclosure will not be made regarding whether a performance evaluation was undertaken for senior executives (see "The Board and Management" for further explanation);
- the Board has not received assurance from the CEO and the CFO relating to the declaration under section 295A of the Corporations Act (see "Risk Management" for further explanation);
- the Nominating and Compensation Committee consists only of one member and that member is not independent (see "Board Committees" for further explanation); and
- MMIL does not have a risk committee (see "Risk Management" for further explanation).

Other than these instances, the Board does not consider it departs from the recommendations of the ASX Corporate Governance Council. MMIL may depart from other recommendations in future if the Board considers that such a departure would be reasonable.

The Board and Management

The day to day management of MMIL is conducted by the executive Directors and senior executives, save for the matters required by law to be reserved to the Board, and any additional matters the Board reserves to itself from time to time. Given the size of the Company and overlapping membership of the Board and membership of the senior executives, the Board does not consider it necessary in the Company's circumstances to adopt a formal statement of matters reserved to it and matters delegated to senior executives. In addition, all directors including senior management i.e. the CEO and CFO have formal letters of appointment identifying the terms of their appointment.

MMIL undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director, and provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. Information included in the shareholder meeting notice includes biographical details, appointment term and areas of expertise. The checks undertaken include criminal history checks and employment and character reference checks.

The performance of senior executives including the CEO and CFO is evaluated against pre-determined key performance indicators on an annual basis. MMIL does not propose to provide confirmation as to whether or not such performance evaluation has taken place during any given reporting period. It does not consider such confirmation to be necessary in light of the structure of the Company.

Board composition

The Board is comprised of three non-executive Directors and one executive Director (the Executive Chairman).

The Board consists of:

- Hary Tanoesoedibjo (Executive Chairman and CEO);
- Billy Hsieh (Independent non-executive Director).

The Board considers an independent Director to be a non-executive Director who is not a member of MMIL's management and who is free of any business or other relationships that could materially interfere with or reasonably be perceived to interfere with the independent exercise of their judgement, with reference to the standards set forth in the NASDAQ Marketplace Rules regarding the definition of independent director. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board considers that only Billy Hsieh is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with the independent exercise of his judgment and is able to fulfil the role of independent Director for the purposes of the ASX Recommendations.

Hary Tanoesoedibjo is independent due to being executive in the Company. Hary Tanoesoedibjo holds the office of the Chairman of the Board and is the Chief Executive Officer. Accordingly, the chairperson of the Board is not an independent director. Although the Board acknowledges the ASX Recommendation that the chairperson should be an independent director, the Board considers Hary Tanoesoedibjo to be the most suitable person for this role in the Company's circumstances. The Board believes that Hary Tanoesoedibjo is able to and does bring quality and independent judgement to all relevant issues falling within the scope of the role of Chairman and that MMIL as a whole benefit from his long-standing experience of its operations and business relationships.

Accordingly, the Board does not consist of a majority of independent Directors. Although the Board acknowledges the ASX Recommendation that a majority of the Board should be independent non-executive Directors, the Board is of the view that the current Board composition is appropriate given the size of the Board, the skills and experience required for the Board and the circumstances of the Company. As a practical matter, the Board is confident that the Board as a whole is able to exercise judgment in an independent and unfettered manner to provide effective oversight of the Company.

The Company does not have a policy in relation to whether the Board collectively, and individual Directors, may seek independent professional advice at MMIL's expense, subject to the approval of the Chairman or the Board as a whole. The Board does not consider such a policy to be necessary at this time. However, the charters of the Board's Audit Committee and Nominating and Compensation Committee authorize such committees to engage their own independent advisors at MMIL's expense in the discretion of such committees.

The skills, experience and expertise of each Director is set out below:

Biographical Information

Hary Tanoesoedibjo has served as the Chairman of our Board since April 2008 and as our Chief Executive Officer since May 2009. He has been a director of GMI since 2007, the President Director of GMC since 2002, the President Director of PT MNC Investama since 2009, the President Director of MNC Group since 2004, President Commissioner of PT MNC Sky Vision (a Pay TV broadcasting company in Indonesia) since 2006, and President Director of PT Rajawali Citra Televisi (a national free-to-air television station in Indonesia) since 2010. He has also been a director of each of MNC International Ltd ("MIL") and MNC International Middle East Limited since 2007. All these companies are affiliates of GMC. He received a Bachelor of Commerce (Honours) degree from Carleton University and a Master of Business Administration degree from Ottawa University.

Billy Hsieh has served as an independent director since February 2011. Mr. Hsieh joined PricewaterhouseCoopers in San Francisco in 1986, was admitted as a partner in 1996 and serve in its Shanghai office from 1996 until his retirement in 2010. He has over 15 years of experience advising multinational corporations about doing business in PRC, including experience in market entry and development, mergers and acquisitions, tax advisory and other activities in PRC. He graduated with a Bachelor of Science degree in Accounting from St. John's University and a law degree from the University of California, Hastings College of the Law, both in the United States. He is licensed as a certified public accountant in California and is a member of the California bar.

Board Skills

The composition of the Board is reviewed on an annual basis by the Nominating and Compensation Committee to ensure that the Board has the appropriate mix of skills, expertise and experience necessary to fulfil its function effectively. The annual review is facilitated by considering the Board's skills matrix that provides an overview of the Directors' skills measured against a range of skills, competencies and experience sought by the Board which have been developed based on:

- The Company's strategic priorities and objectives;
- Current issues and challenges; and
- Current and future business.

The Board has determined that the following skills and experience are necessary for the Board, as a whole to have.

Skill/Experience/Competency	**Board**
Required Skills	
1. Financial Acumen	√
2. Strategy	√
3. Human resources & organisational culture	√
4. Risk management	√
5. Digital and IT skills	√
6. Sales and marketing	√

The Board is of the view that the current Board composition provides each of the skills listed above and there are no further skills required at this time.

The Board has established a Nominating and Compensation Committee (see below).

The company secretaries of MMIL is Mr. Christophorus Taufik. They are accountable directly to the Board, through the Chairman, on all matters related with the proper functioning of the Board.

Performance evaluation

MMIL does not have a formal performance evaluation process in relation to the Board, its committees and individual Directors. The Board does not consider a formal process to be necessary in light of the size of the Board and the Company. It seeks to ensure that the Board performs at all times in a manner consistent with its obligations under the Memorandum and Articles of Association and other regulatory requirements. It will continue to take this approach in respect of its obligations as a company admitted to the ASX. No performance evaluation was undertaken during 2020.

Code of business conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Business Conduct to be followed by all employees, officers and Directors. The key aspects of this Code require:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in the reports and documents;
- compliance with all applicable laws, rules and regulations;
- the prompt internal reporting to the appropriate violations of the Code of Business Conduct; and
- accountability for adherence to the Code of Business Conduct.

The Code of Business Conduct is available on MMIL's website, www.mncmi.com.

Diversity Policy

The Board is committed to diversity and fosters a corporate culture which embraces diversity but has not adopted a formal diversity policy. The Board acknowledges the ASX Recommendation that there should be a policy concerning diversity and the setting of measurable objectives but does not consider this appropriate at this stage in light of the circumstances of the Company. Below is the proportion of women employees in the whole organization, women in senior executive positions and women on the Board. Senior executives include the direct reports of the CEO and deputy CEO.

	Number of women	Total number of employees	% of women to total number of employees
Total employees	88	129	68.2
Senior executives	1	1	100.0
Board of directors	-	4	-

Continuous disclosure policy

MMIL is required to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act. Subject to the exceptions contained in the Listing Rules, MMIL is required to disclose to the ASX any information concerning MMIL which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. MMIL is committed to observing its disclosure obligations under Listing Rules and the Corporations Act. MMIL has adopted a Disclosure Policy to took effect from its listing on the ASX and establishes procedures which are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information. A copy of MMIL's Disclosure Policy is available on its website www.mncmi.com.

Securities trading policy

MMIL has adopted a written policy for dealing in securities. The policy is intended to explain the prohibited type of conduct in relation to dealings in securities, and to establish a best practice procedure in relation to Directors', management's and employees' dealings in Shares.

The policy comprises:

- a pre-clearance and blackout policy which applies to Directors, officers and designated employees (**Insiders**); and
- an insider trading policy which provides guidance to all MMIL personnel, including Insiders.

  Insiders are, subject to certain exceptions, prohibited from:

  - buying or selling the Company's securities while in possession of material non-public information;
  - communicating such information to third parties other than those who need to know such information in connection with doing business with or for the Company;
  - recommending the purchase or sale of the Company's securities while in the possession of material information that has not been publicly disclosed by the Company; and
  - assisting anyone engaged in any of the above activities.

These prohibitions also apply to information about, and the securities of, other companies (e.g., customers or suppliers) with which the Company has a relationship. These prohibitions also apply to the Insiders' immediate family members, and Insiders may not disclose any material non-public information to others, including their family members, friends or social acquaintances.

In addition, Insiders are prohibited from trading in the Company's securities (including CDIs, Shares) during 'black-out periods', which apply to each quarter. The black-out periods begin on the close of business on the fifteenth day of the third month of each quarter and end on the opening of the second business day following the Company's filing with the ASX of the Company's annual financial reports, or public release of quarterly or annual financial information.

The Company may also make a determination at any time that Insiders should suspend trading because of insider information not yet available to the public.

All Insiders must receive approval from the CFO prior to any transaction involving the Company's securities.

The Company's personnel must not engage in any of the following activities without the prior written consent of the CFO:

- purchasing MMIL securities on margin;
- pledging MMIL securities;
- short sales;
- buying or selling puts or calls; or
- engaging in derivative transactions relating to MMIL securities.

A copy of MMIL's Trading Policy is available on its website.

Communication with security-holders

The Board's investor relations policy is to ensure that security-holders are provided with sufficient information to assess the performance of MMIL and that they are informed of all major developments affecting the state of affairs of MMIL relevant to security-holders in accordance with all applicable laws.

The Board has established an investor relations program to ensure effective two-way communication with shareholders through the Company's website. Information is communicated to security-holders through the lodgement of all relevant financial and other information with ASX and publishing information on MMIL's website, www.mncmi.com, including MMIL's governance practices. Security-holders are encouraged to write directly to MMIL or email through the contact details provided on the website if they have any queries regarding the business or their security-holding.

In particular, MMIL's website contains information about it, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information are posted on MMIL's website as soon as they have been released to the ASX.

MMIL encourages security-holders to attend security-holder meetings and all security-holders are provided with copies of notices of meeting detailing the business to be discussed. Security-holders who cannot attend meetings are encouraged to lodge a proxy vote and all details for this is sent to security-holders with the notice. In addition, MMIL's Annual General Meetings are attended by its external auditors to answer questions from security holders relevant to the audit. Results of any security-holder meetings are made publicly available after the meeting.

Security-holders can elect to receive communications from, and send communication to, the security registry electronically.

Risk management

The identification and proper management of MMIL's risks are an important priority of the Board.

The Board is responsible for overseeing and approving risk management strategy and policies, which are put into place by management, in conjunction with the Audit Committee. MMIL management has responsibility for identifying major risk areas and implementing risk management systems. The Audit Committee is responsible for monitoring risk management and establishing procedures which seek to provide assurance that material business risks are identified, consistently assessed and appropriately addressed. The Code of Business Conduct outlines how the major business risks are reported and addressed. In addition, MMIL has a policy entitled 'Reporting Questionable Accounting and Auditing Practices and Policy Prohibiting Retaliation Against Reporting Persons' which enables employees to report complaints or concerns about MMIL's accounting practices, internal accounting controls or auditing matters. Management has reported to it as to the effectiveness of the Company's management of its material business risks.

The Board has not established a separate risk committee and the risk functions are undertaken by the Board in conjunction with the Audit Committee, which is described under "Audit Committee". The Board has determined that a separate risk committee is not required at this time as the processes in place through Board and Audit Committee review are adequate.

MMIL regularly undertakes reviews of its risk management procedures to ensure that it complies with its legal obligations, however as the Company is registered in the Cayman Islands, the Chief Executive Officer or Chief Financial Officer will not be providing a declaration under Section 295A of the Corporations Act (which does not apply to MMIL).

The Board reviews the risk management framework, following review by the Audit Committee, on an annual basis to ensure the framework continues to be sound and applicable to the MMIL business. This review has been undertaken during 2017.

The key risks facing MMIL are strong reliance on the Chinese market, with more than 90% of revenue contributed by PRC, foreign exchange risk and legal and regulatory risks within the countries MMIL operates.

Internal Audit

MMIL has an internal audit function that reports directly to the Chairman of the Audit Committee. The Internal Audit functions is responsible for reviewing and ensuring a sound system of risk management and internal controls is working effectively. Internal Audit reports regularly to the Audit Committee by providing copies of any internal audit reviews undertaken and progress by management against any recommendations made. The internal audit program is approved by the Audit Committee annually and seeks to review areas of high risk.

Economic, environmental and sustainability risks

MMIL is exposed to material economic risk through its reliance on PRC and Indonesia for revenue. The legal and regulatory regimes in these countries provide risks and uncertainties for MMIL. MMIL management mitigates this risk by monitoring the regulatory situation in these countries closely to enable changes to the business to be made if required.

MMIL's operations do not provide exposure to material environmental or social sustainability risks.

Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit committee and the Nominating and Compensation Committee.

Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of MMIL, relevant legislative and other requirements and the skills and experience of individual Directors.

Nominating and compensation committee

The Board has established a Nominating and Compensation Committee with David Audy as its sole member. The Board acknowledges the ASX Recommendation that a Remuneration (Compensation) Committee should have at least three members, a majority of whom are independent and be chaired by an independent chair. However, the Board considers the composition of its Nominating and Compensation Committee to be appropriate given the skill set, experience and seniority of David Audy and the size of the Board. In particular, the Board considers David Audy an appropriate choice because he is one of the two non-executive members of the Board.

The functions of the Nominating and Compensation Committee are to monitor the size and composition of the Board and consider and make recommendations to the Board with respect to the nomination or election of Directors. This Committee also reviews and makes recommendations to the Board regarding the Company's compensation policies and all forms of compensation, including annual salary and bonuses, to be provided to the Company's executive officers and Directors and reviews stock compensation arrangements for all of the Company's other employees. The charter of the Committee is available on the MMIL website (www.mncmi.com).

The Nominating and Compensation Committee will consider and make recommendations to the Board regarding any shareholder recommendations for candidates to serve on the Board. The Nominating and Compensation Committee will review periodically whether a more formal policy should be adopted.

During the year, the Nominating and Compensation Committee met once. And David Audy, as the sole member, attended this meeting.

Anti-hedging policy

The Anti-hedging policy is as follows:

> Directors and Senior Executives are not permitted to enter into transactions with Securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes awarded under any equity-based remuneration scheme currently in operation or which will be offered by the Company in the future. However, Directors and senior executives will consult with the Chairman if they are considering, or if they are not sure, as to whether entering into transactions may limit the economic risk of unvested entitlements they may have.

Remuneration of non-executive directors

In 2021, an aggregate of approximately US$0.04 million was paid to non-executive Directors. The Company does not have a formal process for the determination of remuneration of non-executive directors. However, the Board must provide its consent to the remuneration. There are no retirement schemes for non-executive directors.

The remuneration of non-executive directors is fixed. Non-executive directors do not participate in other remuneration components such as performance related short-term or long-term incentives, options or variable remuneration and do not receive retirement benefits other than superannuation. This distinguishes from executives who participate in the Employee Stock Options Scheme and are provided with incentives for performance.

Remuneration for executive directors

MMIL remunerates executives on the basis of fixed pay plus incentives for performance via the Employee Stock Options Scheme. MMIL's remuneration policies include:

- fixed pay is set at levels comparable to industry standards;
- annual incentives based on performance; and
- long term incentives are provided via the Employee Stock Option Scheme.

The Nominating and Compensation Committee annually reviews and approves the Company's corporate goals and objectives relevant to CEO compensation, evaluates the CEO's performance in light of such goals and objectives, and, either as a Committee or together with the other independent directors (as directed by the Board), determines and approves the CEO's compensation level based on this evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the Company's CEO in past years.

The Committee also annually reviews and approves for other executives the annual base salary levels, annual incentive compensation levels and long-term incentive compensation levels.

Audit committee

The Board has established an Audit Committee which comprises Billy Hsieh as the sole member. Billy Hsieh is an independent non-executive Director. The Board acknowledges the ASX Recommendation that the Audit Committee should have at least three members. However, the Board considers the skill set, experience, seniority and independence of Billy Hsieh is a sufficient safeguard to the integrity of MMIL's financial reporting.

Billy Hsieh has served as an independent director and Audit Committee Chairman since February 2011. Mr. Hsieh joined PricewaterhouseCoopers in San Francisco in 1986, was admitted as a partner in 1996 and serve in its Shanghai office from 1996 until his retirement in 2010. He has over 15 years of experience advising multinational corporations about doing business in PRC, including experience in market entry and development, mergers and acquisitions, tax advisory and other activities in PRC. He graduated with a Bachelor of Science degree in Accounting from St. John's University and a law degree from the University of California, Hastings College of the Law, both in the United States. He is licensed as a certified public accountant in California and is a member of the California bar.

The Audit Committee has an Audit Committee Charter. Additionally, MMIL has a policy entitled 'Reporting Questionable Accounting and Auditing Practices and Policy Prohibiting Retaliation Against Reporting Persons' which enables employees to report complaints or concerns about MMIL's accounting practices, internal accounting controls or auditing matters.

The primary role of this Committee includes:

- appointment, compensation and oversight of the work of independent auditors;
- overseeing the accounting and financial reporting processes;

- monitoring compliance with MMIL's accounting and financial policies; and
- evaluating MMIL management's procedures and policies relative to the adequacy of internal finance and accounting controls.

The Committee has the responsibility for the selection and appointment of the external auditor, as well as evaluating its effectiveness and independence. Under the Audit Committee Charter, it is the policy of MMIL that its external auditing firm must be independent of MMIL itself. The independence of the external auditor is reviewed and assessed on an annual basis.

The Audit Committee charter is available on the MMIL website.

The Audit Committee met four times during the year, with Billy Hsieh, as the sole member in attendance at each meeting.

The Board of MMIL, before it approves the financial statements for a financial period, receives from its CEO and CFO a declaration that, in their opinion, the financial records of the entity has been properly maintained and that the financial statements comply with the generally accepted accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

MMIL Media Corporate Directory

Directors
Hary Tanoesoedibjo
David Audy
Billy Hsieh

Company Secretaries
Christophorus Taufik

Registered Office
Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands
+1 345 949 8066

Independent Registered Public Accounting Firm
Beijing Quanrui China Certified Public Accountants
No. 2001 -A, Floor 19, No. 18
Yumin Road, Xicheng District
Beijing 10032, China

Share Registry
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
+61 1300 554474

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
Gardenia Court, Camana Bay
P.O. Box 1586, Grand Cayman
KY1-1100
Cayman Islands

Registered Local Agent
Company Matters
Level 12, 680 George Street
Sydney NSW 2000
+61 2 8280 7355

Stock Exchange Listings
MMIL has CDIs listed on the ASX.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MNC MEDIA INVESTMENT LTD

Opinion

We have audited the consolidated financial statements of MNC Media Investment Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 19 to 60 which comprise the consolidated statements of financial position of the Group as of 31 December 2021, and the consolidated statements of profit or loss and comprehensive income/(loss), consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as of 31 December 2021, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group‘s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements in the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Beijing Quanrui Certified Public Accountants

29 March, 2022 Beijing Quanrui Certified Public Accountants

MNC MEDIA INVESTMENT LTD
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(In U.S. dollars, except number of shares)

	Notes	As at 31 December 2021	2020
Assets			
Current assets:			
Cash and cash equivalents	5	550,689	1,191,194
Short-term investments	6	36,923,109	37,352,417
Accounts receivable	7	522,529	265,479
Due from related parties	17	426,378	423,126
Deposits and other current assets	8	1,671,098	1,073,216
Assets of discontinued operations	16	3,233	5,642
Total current assets		40,097,036	40,311,074
Non-current assets:			
Property, plant and equipment		18,260	35,359
Intangible assets		642,794	644,099
Deferred tax assets	15	978,203	955,518
Other long-term assets	9	55,031,768	49,352,851
Total non-current assets		56,671,025	50,987,827
Total assets		96,768,061	91,298,901
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable, accrued liabilities and other payables	10	9,451,564	6,812,674
Due to related parties	17	5,712,098	2,944,317
Taxes payable		516,445	475,719
Deferred revenue		579,968	579,968
Liabilities of discontinued operations	16	(853)	1,492
Total current liabilities		16,259,222	10,814,170
Non-current liabilities:			
Deferred tax liabilities	15	299,775	296,863
Total non-current liabilities		299,775	296,863
Total liabilities		16,558,997	11,111,033
Capital and reserves attributable to equity holders of the Company			
Ordinary shares ($0.0001 par value; 500,000,000 shares authorised, 421,435,030 shares issued and 404,391,710 outstanding as of 31 December 2021 and 2020)		42,144	42,144
Additional paid-in capital		138,066,146	138,066,146
Treasury stock		-	(2,890,213)
Statutory reserves		3,315,918	3,315,918
Cumulative translation adjustments		6,929,784	8,175,054
Accumulated losses		(68,144,928)	(66,521,181)
Total equity		80,209,063	80,187,868
Total liabilities and equity		96,768,061	91,298,901

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

MNC MEDIA INVESTMENT LTD
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME/(LOSS)
(In U.S. dollars, except number of shares)

	Note	For the year ended 31 December 2021	2020
Gross Revenue		19,315,104	9,564,264
Cost of revenue		(16,799,482)	(8,338,126)
Gross profit		2,515,622	1,226,138
Operating expenses:			
Product development		(855,774)	(1,051,833)
Selling and marketing		(1,542,582)	(1,695,461)
General and administrative		(1,702,277)	(1,800,947)
Total operating expenses		(4,100,633)	(4,548,241)
Operating loss		(1,585,011)	(3,322,103)
Interest income		3,036	8,904
Gain/(loss) on foreign exchange - net		24,863	(430,291)
Other (gain)/loss - net		(63,394)	(439,199)
Loss before income tax from continuing operations		(1,620,506)	(4,182,689)
Share of loss of associate company		-	(4,285,044)
Income tax expense	15	-	-
Net gain/(loss) for the period from discontinued operations	16	(3,242)	(3,506)
Net loss for the year		(1,623,748)	(8,471,239)
Loss attributable to:			
Owners of the Company		(1,623,748)	(8,471,239)
Non-controlling interest		-	-
		(1,623,748)	**(8,471,239)**
Basic loss per ordinary share (in $ cents):			
Net loss		(0.00)	(0.02)
Diluted loss per ordinary share (in $ cents):			
Net loss		(0.00)	(0.02)
Weighted-average number of ordinary shares:			
Basic		421,435,021	404,391,710
Diluted		421,435,021	404,391,710
Comprehensive loss:			
Net loss for the year		(1,623,748)	(8,471,239)
Other comprehensive loss:			
Foreign currency translation adjustments		1,245,270	(1,823,345)
Total comprehensive loss for the year		**(378,478)**	**(10,294,584)**
Attributable to:			
Owners of the Company		(378,478)	(10,294,584)
Non-controlling interests		-	-
Total comprehensive loss for the year		**(378,478)**	**(10,294,584)**
Loss per share from continuing operations attributable to owners of the Company (in $ cents): (per weighted-average number of ordinary shares)			
Basic		(0.00)	(0.02)
Diluted		(0.00)	(0.02)
Loss per share from discontinuing operations attributable to owners of the Company (in $ cents): (per weighted-average number of ordinary shares)			
Basic		-	-
Diluted		-	-

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

MNC MEDIA INVESTMENT LTD
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(In U.S. dollars, except share data)

	Attributable to owners of the parent								
	Ordinary shares	Shares amount	Additional Paid in capital	Treasury stock	Statutory reserves	Cumulative translation adjustments	Accumulated losses	Non-controlling interests	Total shareholders' equity
Balance as of 1 January 2020	**404,391,710**	**42,144**	**138,066,146**	**(2,890,213)**	**3,315,918**	**9,998,399**	**(58,049,941)**	**-**	**90,482,453**
Divestement of Mobile Game Business	-	-	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(8,471,240)	-	(8,471,240)
Other comprehensive income:									
Foreign currency translation adjustments	-	-	-	-	-	(1,823,345)	-	-	(1,823,345)
Total comprehensive loss for the year	-	-	-	-	-	(1,823,345)	(8,471,240)	-	(10,294,585)
Balance as of 31 December 2020	**404,391,710**	**42,144**	**138,066,146**	**(2,890,213)**	**3,315,918**	**8,175,054**	**(66,521,181)**	**-**	**80,187,868**

	Attributable to owners of the parent								
	Ordinary shares	Shares amount	Additional Paid in capital	Treasury stock	Statutory reserves	Cumulative translation adjustments	Accumulated losses	Non-controlling interests	Total shareholders' equity
Balance as of 1 January 2021	**404,391,710**	**42,144**	**138,066,146**	**(2,890,213)**	**3,315,918**	**8,175,054**	**(66,521,181)**	**-**	**80,187,868**
Sale of Treasury Stock	-	-	-	**2,890,213**	-	-	-	-	2,890,213
Loss for the period	-	-	-	-	-	-	(1,623,747)	-	(1,623,747)
Other comprehensive income:									
Foreign currency translation adjustments	-	-	-	-	-	(1,245,270)	-	-	(1,245,270)
Total comprehensive loss for the year	-	-	-	2,890,213	-	(1,245,270)	(1,623,747)	-	21,196
Balance as of 31 December 2021	**404,391,710**	**42,144**	**138,066,146**	**-**	**3,315,918**	**6,929,784**	**(68,144,928)**	**-**	**80,209,063**

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

MNC MEDIA INVESTMENT LTD
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. dollars)

	For the year ended 31 December	
	2020	**2021**
Cash flow from operating activities		
Loss from continuing operations before income tax	(1,620,506)	(8,467,734)
Loss from discontinued operations before income tax	(3,242)	(3,506)
	(1,623,748)	(8,471,240)
Adjustment to reconcile net loss to net cash provided by operating activities:		
Depreciation	14,641	46,997
Amortization of intangible assets and impairment charge	1,305	4,250
Unrealised gain on quoted securities	-	129,440
Write-off of property, plant and equipment	-	451
Interest income	(3,036)	(8,904)
Share of loss of associate	-	4,285,045
Net foreign exchange differences	(1,276,711)	(1,336,084)
	(1,263,801)	3,121,195
Change in assets and liabilities		
Increase in account receivables	(260,302)	47,969
Decrease in short term investments	429,308	316,634
Decrease in other assets	(597,883)	3,052,959
Decrease/(increase) in account payables, accrued liabilities and other payables	5,445,691	235,553
Interest received	3,036	8,904
Net cash generated from/(used in) operating activities	2,132,301	(1,688,026)
Cash flow from investing activities :		
Proceeds from sale of property, plant, and equipment	-	-
Purchase of property, plant and equipment and intangible assets	(3,875)	(3,250)
Disposal of subsidiary, net of cash disposed	-	-
Addition of long term investment	(5,682,049)	(1,057,951)
Net cash generated from/(used in) investing activities	(5,685,924)	(1,061,201)
Effect of currency translation on cash and cash equivalents	69,902	80,152
Net decrease in cash and cash equivalents	(593,508)	(2,669,075)
Cash and cash equivalents at beginning of year	1,144,197	3,860,269
Cash and cash equivalents at end of year	550,689	1,191,194

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

(In U.S. dollars, unless otherwise stated)

1. Organization and nature of operations

MNC Media Investment Ltd (the "Company"), a Cayman Islands corporation, through its subsidiaries and consolidated variable interest entities ("VIEs") (collectively referred to as the "Group") conducts a variety of businesses, including (i) telecom wireless value-added services ("VAS") in the People's Republic of China ("PRC"); (ii) mobile game services to consumers and enterprises in the PRC; and (iii) trading in securities with quoted prices. As of 31 December 2020, the Company is 83.2% owned by PT Global Mediacom Tbk, an Indonesian corporation ("GMC").

The accompanying consolidated financial statements include the results of operations of the Company, the following subsidiaries and the following VIEs, for which the Company is the primary beneficiary:

Name of subsidiary	Name in short form	Note	Principal business	Group equity interest	Country of incorporation
Brilliant Concept Investments Ltd	Brilliant		Intermediary holding company	100% by MMIL	British Virgin Islands
Noveltech Enterprises Limited	Noveltech		Intermediary holding company	100% by MMIL	Hong Kong
Linktone Media Limited	Linktone Media		Intermediary holding company	100% by MMIL	Hong Kong
Ojava Overseas Ltd	Ojava Overseas		Intermediary holding company; Dormant	100% by MMIL	British Virgin Islands
Wang You Digital Technology Co., Ltd.	Wang You	(i)	Provides PC games	100% by Brilliant	PRC
Shanghai Linktone Consulting Co., Ltd.	Linktone Consulting	(i)	Provides internet and VAS consulting services	100% by Noveltech	PRC
Shanghai Huitong Information Co., Ltd.	Huitong	(i)	Software development	100% by Noveltech	PRC
Shanghai Linktone Internet Technology Co., Ltd.	Linktone Internet	(i)	Software development	100% by Noveltech	PRC
Shanghai Xintong Information Technology Co., Ltd.	Xintong	(i)	Software development; Dormant	100% by Noveltech	PRC
Shanghai Huirong Enterprise Management Consulting Co., Ltd.	Huirong	(i)	Provides enterprise management consulting services	100% by Noveltech	PRC
Shanghai Linktone Software Co., Ltd.	Linktone Software	(i)	Software development	100% by MMIL	PRC

(i) Wholly foreign-owned entity ("WFOE") of the Company.

1. Organization and nature of operations (Continued)

Name of Variable Interest Entity ("VIE")	Name in short form	Note	Principal business	Group equity interest	Loan to nominee shareholders $'000	Country of incorporation
Shanghai Weilan Computer Co., Ltd.	Weilan	(ii)	Provides telecom VAS	Baoxin Yao and Wenlei Wang	456.5 and 385.9, respectively	PRC
Shanghai Unilink Computer Co., Ltd.	Unilink	(ii)	Provides telecom VAS	Lin Lin and Wenju Hu	815.6 each	PRC
Shenzhen Yuan Hang Technology Co., Ltd.	Yuan Hang	(ii)	Provides PC games	Yuming Cai and Feng Gao	392.0 each	PRC
Hainan Zhong Tong Computer Network Co., Ltd.	Zhong Tong	(ii)	Provides telecom VAS	Yi Huang and Teng Zhao	1,117.5 each	PRC
Beijing Lian Fei Wireless Communications Technology Co., Ltd.	Lian Fei	(ii)	Provides telecom VAS	Fulong Zeng and Han Li	1,343.8 and 1,537.9, respectively	PRC
Shanghai Qimingxing E-commerce Co., Ltd.	Qimingxing	(ii)	Provides telecom VAS	Hongjian Wang and Peien Zhu	1,228 each	PRC
Shanghai Ling Yu Cultural and Communication Ltd.	Ling Yu		Provides advertising services; Dormant	50% by Shanghai Unilink Computer Co., Ltd. and 50% by Shanghai Qimingxing E-commerce Co., Ltd.	Nil each	PRC
Beijing Lian Yu Interactive Technology Development Co., Ltd.	Lian Yu	(ii)	Provides telecom VAS; Dormant	Zhi Wang and Xiaoke Zha	114.3 and 168.3, respectively	PRC
Shanghai Lang Yi Advertising Co., Ltd.	Lang Yi	(ii)	Provides advertising services; Dormant	90% by Lan Ye and 10% by Shanghai Weilan Computer Co., Ltd.	Nil each	PRC
Beijing Fumubang Internet technology co., Ltd.	Fumubang	(ii)	provide internet service like ticket and travel booking	Lu Zhang and Youfa Hou	652.4 each	PRC
Fumubang (Beijing) Travel Agency Ltd.	Fumubang Travel		provide travel service	100% by Beijing Fumubang Internet technology co., Ltd.	Nil each	PRC

(ii) Controlled through contractual agreements and is 50% owned by each of two of the Group's and its related companies' employees / former employees.

1. Organization and nature of operations (Continued)

To comply with PRC laws and regulations that prohibit or restrict foreign ownership of companies that provide value-added telecommunications services, which include telecom value-added services and internet content services, the Company conducts substantially all of its PRC operations via its VIEs located in the PRC.

These VIEs are wholly owned by individuals authorized by the Company, all of whom are either employees or former employees of the Group and its related companies. The capital is funded by the Company through interest-free loans extended to the authorized individuals. The loans for capital injection are eliminated with the capital of the VIEs on consolidation.

Upon the formation of these VIEs, the Company, through its WFOEs entered into various agreements with its VIEs, through which the Company holds all the variable interests of the VIEs. The principal terms of these agreements with the VIEs are described below.

<u>PRC</u>

Upon the formation of these VIEs, the Company, or through its WFOEs entered into various agreements with its VIEs and shareholders of the VIEs, through which the Company holds all the variable interests of the VIEs. WFOEs were considered the primary beneficiaries of the VIEs. Subsequently, certain agreements were amended during 2012, whereby the Company agreed to provide unlimited financial support to its VIEs for its operations and agreed to forego the right to seek repayment in the event the VIEs are unable to repay such funding, and the shareholders also reassigned the power of attorney agreement whereby they granted an irrevocable proxy of the voting rights underlying their respective equity interests in the VIEs to the Company, which includes, but are not limited to, all the shareholders' rights and voting rights empowered to the shareholders by the company law and the Company's Article of Association. Accordingly, as a result of the power to direct the activities of the VIEs pursuant to the power of attorney agreement and the obligation to absorb the expected losses of VIEs through the unlimited financial support, the Company is considered the primary beneficiary of the VIEs in PRC and WFOEs ceased to be the primary beneficiaries.

Powers of Attorney

Each of the shareholders of the VIEs have irrevocably appointed the Company's Chief Executive Officer as attorney-in-fact, to vote on their behalf on all matters on which they are entitled to vote with respect to the VIEs as the case may be, including matters relating to the transfer of any or all of their respective equity interests in the VIEs and the appointment of the directors and general manager of the VIEs. The term of each of the powers of attorney is 10 years after which the agreement can be renewed at the Company's sole discretion.

Operating Agreements

The Company agrees to guarantee the VIE's performance under any agreements or arrangements with any third party. In addition, the VIEs and their shareholders have each agreed that they will not enter into any transaction, or fail to take any action, that would substantially affect their assets, rights and obligations, or business without the Company's prior written consent. They will also appoint individuals designated by the Company as the directors, officers and other senior management personnel of the VIEs. The VIEs may not terminate the operating agreements during the term of the agreements, which is 10 years, after which the agreement can be renewed at the Company's sole discretion.

Exclusive Consulting Services Agreements

The Company provides most of the VIEs with exclusive consulting services related to legal, finance, human resources and office administration. The term of each services agreement is 10 years and renewable by us at our sole discretion for a term of our choosing. The service fees payable to the Company are subject to the Company's adjustment, at its sole discretion, from time to time based on the actual operating results of the VIEs.

1. **Organization and nature of operations (Continued)**

Trademark, Domain Name and Software License Agreements

Linktone Consulting has also granted Weilan and Unilink licenses to use certain of its domain names. In addition, Huitong and Linktone Internet have granted Weilan, Unilink, Lian Fei, Zhong Tong, and Qimingxing multiple licenses to use various software programs relating to the Company's various platforms, databases and games. The VIEs cannot assign or transfer their rights under the licenses to any third party, and cannot use the licensed trademarks in television, newspapers, magazines, the internet or other public media without the Company's prior written consent.

Contracts Relating to the Exclusive Purchase Right of Equity Interest

The Company or the Company's designee has an exclusive option to purchase from each shareholder of the VIEs all or part of his or her equity interest in the VIEs at the cost of the initial contributions to the registered capital, to the extent permitted by Chinese law. The consideration for the purchased equity interest will be used to repay the loan obligation under the Loan Agreements, and therefore no payment is required to be made by the Company to the shareholders as a result of exercising the option. Any and all dividends and other capital distributions from VIEs to their shareholders should be paid, in full amount, to the Company or the Company's designee. The term of these agreements is 10 years and renewable by the Company at its sole discretion.

Loan Agreements

The Company has granted interest-free loans to the shareholders of the VIEs for the purpose of providing funds necessary for the capital injection and acquisition of the VIEs. The term of these loans in each case is 10 years. The shareholders of the VIEs can only repay the loans by transferring to the Company or the Company's designees all of their equity interest in the respective VIEs. The interest-free loans to the shareholders of the VIEs as of 31 December 2017 and 2020 were $18.8 million in aggregate.

Equity Interests Pledge Agreements

The VIEs have granted the Company a security interest over all of their assets. The shareholders of the Company's VIEs have pledged their respective equity interests in these entities to guarantee the performance and the payment of the service fees by these entities under the Exclusive Consulting Services Agreements described above. If the VIEs or shareholders of the VIEs breach any of their obligations under the Equity Interests Pledge Agreements, the Company will be entitled to certain rights, including the right to sell the pledged equity interests. The Equity Interests Pledge Agreements will remain effective as long as the Exclusive Consulting Services Agreements are effective.

PRC

Despite the lack of technical majority ownership, there exists a parent-subsidiary relationship between the Company, through its direct ownership of the WFOEs and its subsidiaries, and the VIEs through the aforementioned agreements, whereby the equity holders of the VIEs effectively assigned all of their voting rights underlying their equity interest in the VIEs to the Company, which gives the Company the power to direct the activities that most significantly impact the VIEs' economic performance. In addition, through the other aforementioned agreements, the Company demonstrates its ability and intention to continue to exercise the ability to absorb substantially all of the profits and all of the expected losses of the VIEs. Based on these contractual arrangements, the Company consolidates these VIEs as required by Standing Interpretations Committee standards ("SIC") 12 on "Consolidation – Special Purpose Entities") International Financial Reporting Standards ("IFRS") because the Company holds all of the variable interests of these VIEs and is the primary beneficiary of the VIEs.

The ownership structure of the Company and the contractual arrangements with the VIEs in PRC and Indonesia are in compliance with applicable laws and are legally valid, binding, and enforceable. However, uncertainties in the PRC and Indonesian legal systems could limit the Company's ability, through its direct ownership of the WFOEs, to enforce its rights under these contractual arrangements. Furthermore, shareholders of the VIEs may have interests that are different than those of the Company, which could potentially increase the risk that they would seek to act contrary to the terms of the above aforementioned agreements.

1. Organization and nature of operations (Continued)

In addition, if the current structure or if any of the contractual arrangements were found to be in violation of any existing or future PRC or Indonesian laws, as applicable, the Group may be subject to penalties, which may include, but not limited to, the cancellation or revocation of the Group's business and operating licenses, or discontinuance of the Group's operating activities. The imposition of any of these or other penalties may result in a material and adverse effect on the Group's operations. In such case, the Company may not be able to operate or control the VIEs, which may result in deconsolidation of the VIEs.

2. Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee ("IFRS IC") interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and liabilities (including derivative instruments at fair value through profit or loss).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or area, where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Basis of consolidation

(a) Subsidiaries

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the VIEs for which the Company, through its direct ownership of the WFOEs, is the primary beneficiary. All significant transactions and balances between the Company, its subsidiaries and VIEs have been eliminated upon consolidation. All subsidiaries are majority owned by the Company. As of 31 December 2020 and 2017, the Company does not hold any investments accounted for under the cost or equity method.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

2. Basis of preparation (continued)

Basis of consolidation (continued)

(a) Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Foreign currency translation

(a) Functional and presentation currency

The accompanying consolidated financial statements are presented in U.S. dollars ("$" or "USD"). The functional currency of the Company is US$ while those of the Company's significant operating subsidiaries and consolidated VIEs in the PRC, Hongkong, and Indonesia are the Chinese Renminbi ("RMB"), Hong Kong Dollar ("HKD"), and Indonesian Rupiah ("IDR"), respectively, as determined based on the criteria of International Accounting Standard ("IAS") 21, *The Effects of Changes in Foreign Exchange Rates*. Gains and losses resulting from foreign currency transactions are included in the consolidated statements of operations and comprehensive income.

All assets and liabilities of our subsidiaries and consolidated VIEs are translated into USD at the exchange rates in effect at the balance sheet dates and revenues and expenses are translated into USD at the average exchange rates in effect during the reporting periods. The exchange differences resulting from translating these entities' financial statements into USD are included in accumulated other comprehensive income, which is a separate component of shareholders' equity on the consolidated balance sheets.

2. Basis of preparation (continued)

Foreign currency translation (continued)

(a) Functional and presentation currency (continued)

The Company's business is primarily conducted in and from PRC and Indonesia in their respective currencies: RMB and IDR. All references in this report to RMB and IDR are to the legal currencies of PRC and Indonesia, respectively, and all references to U.S. dollars, dollars, $ and US$ are to the legal currency of the United States. The conversions of RMB and IDR into U.S. dollars are based on the middle rate between buying and selling as published by the People's Bank of China of PRC and Bank Indonesia, respectively.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss under "Loss on foreign exchange – net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measure at fair value, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Critical accounting estimates and judgements (Continued)

Critical accounting estimates and assumptions

(a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 4(h). the recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations required the use of estimates (Note 12). The net carrying amount of goodwill as of year-end is disclosed in Note 12.

No impairment charge was recorded for the year ended 31 December 2020 and 2017.

(b) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the group-wide provision for income taxes. There are mainly transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of where additional taxes will be due. Where the final outcome of these matters if different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(c) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows outflows expected to be required to settle the pension obligations, additional taxes will be due. Where the final outcome of these matters if different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. The net carrying amount of trade and other receivables is disclosed in Note 8.

4. Summary of significant accounting policies

(a) Cash and cash equivalents

The Group considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are composed primarily of time deposits and investments in money market accounts that are stated at cost, plus accrued interest, which approximates fair value.

4. Summary of significant accounting policies (continued)

(b) Short-term investments

Short-term investments comprise time deposits with original maturity terms of more than three months but due within one year and marketable equity securities. Beginning 2012, due to an increase in trading activities in marketable equity securities, the Company has since deemed trading in quoted securities as one of the principal activities. Marketable equity securities purchased are classified as held-for-trading and reported initially at fair value on the balance sheet. At each reporting date, these investments are remeasured and reported at fair value. Any unrealised gains or losses arising from changes in fair value are reported in statement of profit or loss. Realised gains or losses are recognised in the statement of profit or loss during the period in which the gain or loss is realised.

The Company invests in marketable equity securities with the intent to make such funds readily available for operating or acquisition purposes and, accordingly, classifies them as short-term investments. Management determines the appropriate classification of its short-term investments and re-evaluates such determination at each balance sheet date.

The carrying values of time deposits approximate fair value because of their short maturities. The Company determines the fair value of marketable equity securities using quoted market prices. During the financial year, management evaluated and determined short-term investments as being held-for-trading.

(c) Accounts receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is provided based on an aging analysis of accounts receivable balances, historical bad debt rates, repayment patterns, customer credit worthiness and industry trend analysis. The Group also makes a specific allowance if there is strong evidence showing that the receivable is not likely to be recoverable. An account receivable is written off after all collection efforts have ceased.

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using a weighted-average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Inventory held at consignment locations is included in finished goods inventory as the Group retains full title and rights to the product.

(e) Property, plant and equipment

Buildings are shown at costs. However, valuations are performed with sufficient regularity by external independent valuers to ensure that the carrying amount does not differ materially from the fair value of the asset. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

4. Summary of significant accounting policies (Continued)

(e) Property, plant and equipment (Continued)

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the statement of profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred from 'other reserves' to 'retained earnings'.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment are depreciated over their estimated useful lives on a straight-line basis to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Useful lives
Computer hardware and other equipment	3-5 years
Office equipment	1-3 years
Leasehold improvements	the shorter of their estimated useful lives or the lease term
Motor vehicles	7-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditures for repairs and maintenance are expensed as incurred. The gain or loss on disposal of property and equipment, if any, is the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the statement of profit or loss and comprehensive income.

(f) Intangible assets

The Group applies the criteria specified in IFRS 3, "Business Combinations," to determine whether an intangible asset should be recognized separately from goodwill. Intangible assets acquired through business acquisitions are recognized as assets separate from goodwill if they satisfy either the "contractual-legal" or "separability" criteria. Intangible assets with definite lives are amortized using the straight-line method over their respective estimated useful life. Intangible assets arising from business acquisitions are recognized and measured at fair value upon acquisition.

	Useful lives
Technology	1 - 5 years
Customer base	1 - 4 years
Licenses	1 - 4 years
Partnership and non-compete agreements	1 - 5 years
Domain names	1 - 4 years

(g) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in statement of profit or loss.

4. Summary of significant accounting policies (Continued)

(h) Goodwill (Continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

As of 31 December 2021, the Company performed impairment tests on goodwill assigned to each reporting unit (except for Investment Media Content, and Indonesia Digital Media reporting unit which has no goodwill). The Company determined the fair value of the reporting unit using the income approach based on the discounted expected future cash flows associated with the units.

Based on the annual impairment tests as of 31 December 2021, the reporting unit of Mobile Game had fair values higher than their carrying value, hence management did not recognise any impairment expense during the financial year ended 31 December 2021.

(i) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

The Group uses estimates and judgments in its impairment tests and, if different estimates or judgments had been utilized, the timing or the amount of the impairment charges could be different. No impairment of long-lived assets was recorded for the years ended 31 December 2021 and 2020.

(j) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

4. Summary of significant accounting policies (Continued)

(i) Leases (Continued)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

(j) Revenue recognition

The Group recognizes revenues in the period in which the services are performed or the goods are delivered, provided that persuasive evidence of a contractual arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectibility is reasonably assured.

China VAS, mobile game & PC game

The Group's revenues in the PRC are mainly derived from Mobile Games and the online parenting portal, Fumubang ("FMB"). In 2014, the Group ceased operations in PC games segment has ceased operations and the China VAS business has been outsourced to third parties.

The Group's mobile game service revenue is primarily derived from providing downloadable mobile games products to mobile game operators. The Group contracts with mobile game operators who in turn provide a platform for users to download the Group's mobile games. The Group earns a fixed fee on a per download basis based on monthly or quarterly statements from the mobile game operators. The revenue is recognized on a gross basis when most of the gross indicators discussed above are met. If the gross indications are not met then revenue is recognized on a net basis.

Prior to October 2014, the Group used to provide its PC game services through its subsidiaries, Brilliant, Wang You, and its VIE, Yuan Hang. The Group receives subscription fees from distributors for the sales of game cards, in either physical or virtual form, with a certain number of game points incorporated in the cards. The corresponding revenue is recognized as the game points are consumed by game players in games. Any sold game cards which are not activated by users and activated points which are not consumed in games constitute deferred revenue. Any game points held by players who are considered to be inactive are deemed consumed and recognized in revenue. The costs of PC game services include the cost of producing the game cards and bandwidth and server leasing charges.

Revenue for Fumubang ("FMB") is recognized when the items/ services sold are consumed/ used. Accruals are made for revenue which has not been billed but items are consumed/ used.

Advertising revenue

The Group derives advertising revenue from mobile advertising from PRC. For mobile advertising in PRC, revenue is recognized upon receipt of payment from third party internet companies advertisements aggregators such as AdMob and Chartboost. Revenue (net of internet companies' fees) is recognised when payment is received from third party internet companies, as the fees are not fixed and determinable until payment received. In accordance with the agreements with these internet companies, they are only liable to pay the Group when payment is received from the advertisers. As such, the criteria of price is fixed and determinable is met only when payment is received from the internet companies.

4. Summary of significant accounting policies (Continued)

(j) Revenue recognition (Continued)

Media contents

The Group's media sales arrangements are evidenced by sales agreements. The prices are stated in the agreements and not subject to adjustment. The Group recognizes revenue from the sale of goods when the risk of loss and title has been transferred to the customer, which usually occurs at the time shipment is made (i.e., destination point). For consignment sales, revenue is recognized when the Group receives notification that the goods have been sold by their customers. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. If it is probable that discounts will be granted and the amount can be measured reliably, the discount is recognized as a reduction of revenue when the sales are recognized. In December 2014, the Group discontinued the DVD business unit.

(k) Income and other taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

4. Summary of significant accounting policies (Continued)

(k) Income and other taxes (Continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

PRC

In 2021 and 2020, the Group was subject to value-added tax of 3-17% on the provision of taxable services, which included services provided to customers as well as in certain instances, the consultancy services provided by certain subsidiaries to the VIEs. The related business taxes paid for the services provided to customers and the consultancy services to the VIEs were recognized as a reduction in revenues and operating expenses respectively. In May 2016, FMB tourism business began to implement the difference between the value-added tax, the rate of which remains at 6% to date.

Indonesia

VAT is imposed on importers, providers of most goods and services, and users of intangible goods. The current VAT rate is 10% (2020: 10%). The export of goods from Indonesia is zero-rated (i.e., subject to VAT at 0%) for all years presented.

(l) Pensions and other post-employment benefits

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to the schemes are recognized as an expense in the period in which the related service is performed. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Full time employees of the Group in the PRC participate in a government mandated multi-employer defined contribution plan. The Group has no legal obligation for the benefits beyond the contributions in these 2 countries.

In Indonesia, one of the subsidiaries of the Group has a defined contribution pension plan covering substantially all of its eligible employees and an unfunded employee benefits liability in accordance with Indonesia's Labor Law No. 13/2003 dated 23 March 2003 (the "Law"). The provision for the Law has been calculated by comparing the benefit that will be received by an employee at normal pension age from the pension plan with the benefit as stipulated under the Law after deduction of accumulated employee contributions and the related investment results. If the employer-funded portion of the pension plan benefit is less than the benefit as required by the Law, the Company will provide for such shortage.

The calculation of estimated liability of employee benefits is determined using the projected-unit-credit method. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

(m) Subsidy income

Local governments in some provinces in the PRC grant the Group a subsidy income based on a certain percentage of business taxes and income taxes paid by the Group, either on a monthly or annual basis. The Group records such local government subsidy income in other income upon receipt. Local government subsidy income totalled $459,422 and $445,453 during the years ended 31 December 2021 and 2020, respectively. Where applicable, subsidy income is netted off against individual lines in the income statement for which the expenses are incurred.

(n) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

4. Summary of significant accounting policies (Continued)

(o) Dividends

Dividend income

Dividend income is recognised when the right to receive payment is established.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

(p) Comprehensive income/(loss)

Comprehensive income or loss is defined as the change in equity of the Group during a period from transactions and other events and circumstances, excluding transactions resulting from investments by owners and distributions to owners. Accumulated other comprehensive income or loss of the Group includes cumulative foreign currency translation adjustments.

(q) Earnings per share

In accordance with IAS 33, "Earnings Per Share," basic earnings per share is computed by dividing net income attributable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing net income by the weighted-average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of ordinary shares issuable upon the exercise of outstanding share options (using the treasury stock method).

(r) Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

4. Summary of significant accounting policies (Continued)

(s) Financial assets (Continued)

Classification (Continued)

(ii) Available-for-sale (AFS)

AFS financial assets are non-derivative financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss (FVTPL).

Gains and losses arising from changes in fair value are recognised in other comprehensive income and in equity as accumulated in AFS Investment Revaluation, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in AFS Investment Revaluation is reclassified to profit or loss.

Investments in unlisted equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured are also classified as AFS, measured at cost less impairment.

Dividends on AFS equity instruments, if any, are recognised in profit or loss when the Group's right to receive the dividends is established.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise of 'cash and cash equivalents' and 'trade and other receivables' in the statement of financial position [Notes 4(a) and 4(c)].

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within "other operating income/(loss)" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part "other operating income" when the Group's right to receive payments is established.

(t) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

4. Summary of significant accounting policies (Continued)

(u) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss account.

(v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(w) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(x) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The Group is organized into business units based on their different service offerings. The Group's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer, who reviews and evaluates separate sets of financial information for the Group's operating segments for the purpose of making decisions regarding resource allocation and performance assessment. The Group's CODM reviews the Group's results in two business segments, namely: (i) China VAS, mobile games and PC games; and (ii) investment, for the purpose of making decisions regarding resource allocation and performance assessment. The Indonesia Digital Media and Media content segment already divested in 2017.

4. Summary of significant accounting policies (Continued)

(y) Business combinations

The Group accounts for business combinations using the acquisition method of accounting. This method requires that the acquisition cost be allocated to the assets, including separately identifiable tangible and intangible assets, and liabilities the Group has acquired based on their estimated fair values. The Company makes estimates and judgments in determining the fair value of the acquired assets and liabilities with the assistance of independent appraisal reports as well as its experience with similar assets and liabilities in similar industries. If different judgments or assumptions were used, the amounts assigned to the individual assets acquired or liabilities assumed could be materially affected.

(z) Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or has joint control over those policies.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for, Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Any excess of the cost of acquisition over the Group's share of the net fair value of identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition, is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures any retained investment at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities).

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of its interest in the associate that are not related to the Group.

5. Cash and cash equivalents

	As at 31 December	
	2021	**2020**
Cash	550,689	1,191,194
Time deposits with tenor < 90 days	-	-
Total	550,689	1,191,194

Interest income earned from the above cash and cash equivalents amounted to $3,036 and $8,904 for the years ended 31 December, 2021 and 2020, respectively.

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2021	**2020**
USD	25,934	11,831
RMB	519,204	1,141,664
SGD	-	-
IDR	5,551	37,699
Total	550,689	1,191,194

6. Short-term investments

	As at 31 December	
	2021	**2020**
Quoted securities, at market value	36,923,109	37,352,417
Total	36,923,109	37,352,417

The carrying amounts of the Group's short-term investments are denominated in IDR.

Net unrealised forex loss on short-term investments amounted to $0.4 million as of 31 December 2021 and 31 December 2020.

Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(In U.S. dollars, unless otherwise stated)

6. Short-term investments (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December:

	Quoted prices in active markets for identical assets	Significant other observable inputs	Unobservable inputs	Fair
2021:	**(Level 1)**	**(Level 2)**	**(Level 3)**	**value**
Short-term investments:				
Held-for-trading investments	36,923,109	-	-	-
2020:	**(Level 1)**	**(Level 2)**	**(Level 3)**	**value**
Short-term investments:				
Held-for-trading investments	37,352,417	-	-	-

There are no level 1 assets or transfers between levels 1 and 2 during 2021 or 2020.

Assets and liabilities measured at fair value on a non-recurring basis

The Group measures certain financial assets at fair value on a nonrecurring basis only if an impairment charge were to be recognized. The Group's non-financial assets, such as intangible assets, goodwill and fixed assets, would be measured at fair value only if they were determined to be impaired. For the years ended 31 December 2021 and 2020, the Group recognized nil impairment loss on goodwill based on the fair value measurement (Level 3) on a non-recurring basis. The fair value was determined using a discounted cash flow model under the income approach based on future revenues and operating costs, using internal projections.

7. Accounts receivable

	As at 31 December	
	2021	**2020**
Accounts receivable	3,030,540	2,718,872
Less: Allowance for doubtful receivables	(2,508,011)	(2,453,393)
	522,529	265,479
Movement in allowance for doubtful receivables:		
Balance at beginning of year	(2,453,393)	(2,301,778)
Translation differences	(54,618)	(151,615)
Balance at the end of year	(2,508,011)	(2,453,393)

The carrying amounts of the Group's accounts receivables are denominated in the following currency:

	As at 31 December	
	2021	**2020**
RMB	522,529	265,479

(In U.S. dollars, unless otherwise stated)

8. Deposits and other current assets

	As at 31 December	
	2021	2020
Prepayments to VAS advertising, content and other suppliers	964,362	792,860
Interest income receivable from non-related parties	-	-
Others	1,540,399	1,058,204
	2,504,761	1,851,064
Less: Allowance for doubtful receivables	(833,663)	(777,848)
	1,671,098	1,073,216
	-	-
Movement in allowance for doubtful receivables:		
Balance at beginning of year	(777,848)	(726,949)
Translation differences	(55,815)	(50,899)
Balance at the end of year	(833,663)	(777,848)

The carrying amounts of the Group's deposits and other current assets are denominated in the following currencies:

	As at 31 December	
	2021	2020
USD	5,445	992
RMB	1,665,653	1,072,224
	1,671,098	1,073,216

(In U.S. dollars, unless otherwise stated)

9. Other long-term assets

	As at 31 December	
	2019	**2018**
Mandatory convertible bonds	47,723,469	46,635,468
Minimum guarantees and prepayments	-	98,466
Others	571,431	571,431
Total	48,294,900	47,305,365

10. Accounts payable, accrued liabilities and other payables

	As at 31 December	
	2021	**2020**
Accounts payable	1,844,654	1,636,709
Accrued expenses	100,870	1,686,864
Accrued VAS content fees	144,426	1,563,427
Accrued payroll and welfare benefits	1,239,721	145,245
Accrued professional and consulting fees	1,567,178	187,065
Other payables	4,554,715	1,593,364
Total	9,451,564	6,812,674

The carrying amounts of the Group's accounts payable, accrued liabilities and other payables are denominated in the following currencies:

	As at 31 December	
	2021	**2020**
USD	-	32,362
RMB	9,451,564	6,780,312
	9,451,564	6,812,674

11. Segment information

For the years ended December 31, 2021, the Group operates in two business segments - China VAS and online platforms, and Investment, which are based on the different product and geographic 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:

	31 December 2020		
	China Social e-commerce, VAS and Mobile Games	**Investment**	**Total**
Revenues	9,564,264	-	9,564,264
Segment cost of revenue	(8,338,126)	-	(8,338,126)
Segment gross profit	1,226,138	-	1,226,138
Segment operating expenses	(3,894,137)	(654,104)	(4,548,241)
Segment profit/(loss) from operations	(2,667,999)	(654,104)	(3,322,103)
Other (expenses)/income	(410,948)	(4,734,683)	(5,145,631)
Discontinued operations	(3,506)	-	(3,506)
Segment loss from operations before interest and taxes	(3,082,453)	(5,388,787)	(8,471,240)

(In U.S. dollars, unless otherwise stated)

11. Segment information (Continued)

	31 December 2020		
	China Social e-commerce, VAS and Mobile Games	Investment	Total
Revenues	9,564,264	-	9,564,264
Segment cost of revenue	(8,338,126)	-	(8,338,126)
Segment gross profit	1,226,138	-	1,226,138
Segment operating expenses	(3,894,137)	(654,104)	(4,548,241)
Segment profit/(loss) from operations	(2,667,999)	(654,104)	(3,322,103)
Other (expenses)/income	(410,948)	(4,734,683)	(5,145,631)
Discontinued operations	(3,506)	-	(3,506)
Segment loss from operations before interest and taxes	(3,082,453)	(5,388,787)	(8,471,240)

The following table summarises the gross revenue by product in China VAS and online platforms:

	2021	2020
Social e-commerce (Fumubang)	18,182,597	8,433,450
China VAS	1,132,507	1,130,814
	19,315,104	9,564,264

Statement of Financial Position Information:

	31 December 2021		
	China VAS and mobile game	Investment	Total
Current assets	(386,041)	40,479,946	40,093,905
Non current assets	1,639,257	55,034,898	56,674,155
Total assets	1,253,216	95,514,844	96,768,060
Current liabilities	8,630,762	7,628,460	16,259,222
Non current liabilities	299,775	-	299,775
Total liabilities	8,930,537	7,628,460	16,558,997
Net assets	(7,677,321)	87,886,384	80,209,063

	China VAS and mobile game	Investment	Total
Current assets	2,485,009	37,826,065	40,311,074
Non current assets	1,634,978	49,352,849	50,987,827
Total assets	4,119,987	87,178,914	91,298,901
Current liabilities	6,542,194	4,271,976	10,814,170
Non current liabilities	296,863	-	296,863
Total liabilities	6,839,057	4,271,976	11,111,033
Net assets	(2,719,070)	82,906,938	80,187,868

(In U.S. dollars, unless otherwise stated)

11. Segment information (Continued)

The following table summarises the Group's gross revenues by geographic region based on the location of the customers:

	For the year ended 31 December	
	2021	**2020**
PRC	19,315,104	9,564,264

The China geographic segment includes operations of PRC, Hong Kong and Taiwan entities.

The following table summarises the Group's long-lived assets by geographic region:

	As at 31 December	
	2021	**2020**
PRC	1,638,434	1,629,336
Indonesia	55,034,898	49,352,849
	56,673,332	50,982,185

The following table summarises the Group's net assets by geographic region:

	As at 31 December	
	2021	**2020**
PRC	(11,556,321)	(3,775,339)
Indonesia	91,765,384	94,257,792
	80,209,063	90,482,453

12. Financial risk management

The Group's activities expose it to credit risk, market risks (including foreign currency risks and interest rate risks) and liquidity risk. The overall risk management strategy seeks to minimise adverse effect from the volatility of financial markets on the Group's financial performance.

The Directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits, in accordance with the objectives and underlying principles approved by the directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(a) Revenue concentration risk

For the financial year ended 31 December 2021, 68% and 25% of the Group's revenue is contributed by Fumubang and the mobile game, respectively (2020: 56% and 39% respectively). The Company has no concentration risk in customers or business partners.

(b) Credit risk

Financial instruments that potentially subject the Group to significant concentration of credit risk primarily consist of cash and cash equivalents, short-term investments and accounts receivable. At 31 December 2021 and 2020, the Group has $42.2 million and $51.1 million in cash and cash equivalents and short-term investments respectively. At 31 December 2021 and 2020, the Group's cash, bank deposits and money market funds in the PRC amounted to $3.7 million and $11.1 million respectively, representing 9.1% and 21.7% of total cash and cash equivalent and short-term investments in 2021 and 2021 respectively.

(In U.S. dollars, unless otherwise stated)

12. Financial risk management (Continued)

(b) Credit risk (Continued)

In the event of bankruptcy of one of the financial institutions in which the Group has deposits or investments, it may be unlikely to claim its deposits or investments back in full.

Accounts receivable are typically unsecured and derived from revenue earned from customers, which are exposed to credit risk. The risk is mitigated by credit evaluations the Group performs on its customers and its ongoing monitoring process of outstanding balances. The Group maintains reserves for estimated credit losses and these losses have generally been within its expectations. The Group has $0.3 million and $0.2 million in accounts receivables as of 31 December 2021 and 2020.

(i) Financial assets that are neither past due or impaired

At the balance sheet date, no financial assets are past due or impaired other than trade receivables noted below.

Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets at fair value through profit or loss are redeemable on demand. These are placed with reputable fund managers.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables. Trade debtors relate to excesses which are due in relation to claims.

The age analysis of trade receivables past due but not impaired is as follows:

	As at 31 December	
	2021	**2020**
Past due< 3 months	3,030,540	2,718,872
Past due 3 to 6 months	-	-
Past due over 6 months	-	-
	3,030,540	2,718,872

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	As at 31 December	
	2021	**2020**
Past due over 6 months	(2,508,011)	(2,453,393)
	(2,508,011)	(2,453,393)

The impaired trade receivables arise mainly from sales to a customer which has suffered significant losses in its operations.

12. Financial risk management (Continued)

(c) Foreign exchange risk

The Group's sales, purchase and expense transactions are generally denominated in RMB and a significant portion of the Group's assets and liabilities are denominated in IDR, SGD and RMB. The RMB is not freely convertible into foreign currencies. In the PRC, foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China ("PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through the PBOC or other PRC foreign exchange regulatory bodies and require certain supporting documentation in order to affect the remittance.

The following tables demonstrate the sensitivity to a reasonably possible change in RMB, SGD and IDR exchange rates, with all other variables held constant.

	2021		
	Change in rate	**Effect on profit before tax**	**Effect on net assets**
IDR	+4%	-	369,287
	-4%	-	(369,287)
RMB	+3%	-	-
	-3%	-	-
SGD	+2%	-	-
	-2%	-	-

	2020		
	Change in rate	**Effect on profit before tax**	**Effect on net assets**
IDR	+5%	-	1,529,855
	-5%	-	(1,529,855)
RMB	+5%	92,350	609,769
	-5%	(92,350)	(609,769)
SGD	+5%	-	-
	-5%	-	-

There are currently no such legal foreign exchange controls in Singapore and Indonesia.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

(In U.S. dollars, unless otherwise stated)

12. Financial risk management (Continued)

(d) Financial instruments by category

	As at 31 December	
	2021	2020
Financial assets:		
Trade and other receivables excluding prepayments	948,907	688,605
Short-term invetments	36,923,109	37,352,417
Cash and cash equivalents	547,558	1,191,194
	38,419,574	39,232,216

	As at 31 December	
	2021	2020
Financial liabilities:		
Trade and other payables excluding non-financial liabilities	9,451,564	6,812,674
	9,451,564	6,812,674

(e) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

(f) Legal and regulatory uncertainties

PRC

The Chinese market poses certain legal and regulatory risks and uncertainties to the Group's operations. These uncertainties extend to the ability of the Group to develop its telecom VAS business and to provide internet services in the PRC. Though the PRC has, since 1978, implemented a wide range of market-oriented economic reforms, continued reforms and progress towards a full market-oriented economy are uncertain. In addition, the telecommunication and internet industries remain highly regulated. Restrictions are currently in place or are unclear with regard to which specific industry segments foreign-owned entities, like the Group, may operate. The Group's legal structure and scope of operations in the PRC could be subject to restrictions which could result in severe limitations on the Group's ability to conduct business in the PRC, and this could have a material adverse impact on the Group's financial position, results of operations and cash flows.

13. Employee benefits

PRC contribution plan

Full-time employees of the Company, its subsidiaries and VIEs in the PRC participate in a government-mandated multi-employer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the Company and its subsidiaries accrue for these benefits based on certain percentages of the employees' salaries. The total expenses for such employee benefits were $1,324,671 and $1,305,397 for the years ended 31 December 2021 and 2020, respectively.

14. Statutory reserves

The Company's subsidiaries and VIEs in the PRC must make appropriations from after-tax profits to non-distributable reserve funds. Its subsidiaries, in accordance with the laws on Enterprise with Foreign Investment in PRC, must make appropriations to (i) a general reserve and (ii) an enterprise expansion fund. The general reserve fund requires annual appropriations of 10% of after-tax profit, as determined under generally accepted accounting principles in the PRC ("PRC GAAP") at each year end, until such fund has reached 50% of the subsidiary's registered capital. The enterprise expansion fund appropriation is at the subsidiary's discretion. The Company's VIEs, in accordance with PRC Company Laws, may make appropriations to (i) a statutory reserve fund and (ii) a discretionary surplus fund. The statutory reserve fund requires annual appropriations of 10% of after-tax profit, as determined under PRC GAAP at each year end, until such fund has reached 50% of the VIE's registered capital. Discretionary surplus fund appropriation is at the VIE's discretion.

The general reserve fund and statutory reserve fund can only be used for specific purposes, such as offsetting of accumulated losses, enterprise expansion or increasing the registered capital. The enterprise expansion fund is generally used to expand the production and operations; however, it also may be used for increasing the registered capital. The discretionary surplus fund may be used for any purposes at management's discretion. These funds are not transferable to the Company in the form of cash dividends, loans or advances.

As of 31 December 2021 and 2020, the Group had balance of $3,315,918 in these non-distributable reserve funds, respectively.

15. Income taxes

Cayman Islands, British Virgin Islands and UAE

Under the current laws of the Cayman Islands, British Virgin Islands and UAE, Brilliant and Ojava Overseas are not subject to tax on income or capital gains.

Hong Kong

Under the current laws of Hong Kong, Noveltech and Linktone Media are subject to tax on income in Hong Kong at 16.5%.

15. Income taxes (Continued)

PRC

On 16 March 2007, the National People's Congress of China approved the new Enterprise Income Tax Law of the PRC (the "new EIT law"), which is effective from 1 January 2008.

The new EIT law imposes a unified income tax of 25%. The new EIT law allows a five-year transitional period for entities established before 16 March 2007 that enjoyed a reduced tax rate or a tax holiday under the old EIT law. The transitional rule generally provides for a gradual increase to 25% and, where applicable, continuation of prior tax holidays until their expiration otherwise provided under the old EIT law. Under the new EIT law, qualified and approved high and new technology enterprises enjoy a preferential income tax rate of 15%.

The applicable income tax rates for the Group's PRC subsidiaries and VIEs vary. Linktone Consulting, Weilan, Ruida, Wei Lian, Lang Yi, Xian Feng and Xintong's applicable tax rates are 25% starting 2008. From 2012 onwards, tax rates for Zhong Tong, Linktone Software, Wang You and Ling Yu is 25%.

Huitong and Linktone Internet are foreign investment production enterprises located in a coastal economic development zone in the old urban district. Huitong was recognized as high and new technology enterprise ("HNTE") by the Local Science and Technology Committee in May 2010. In 2015, Huitong received renewed HNTE certificate that is valid for the years 2015 to 2020. Linktone Internet applicable tax rate starting 2010 is 25%.

Yuan Hang, Cosmos, Lian Fei and Beijing Ojava were high and new technology enterprises prior to 1 January 2008 and enjoyed a reduced tax rate of 15% and tax holiday of either two or three years of exemption followed by three years of 50% reduced tax rate. In 2011, Yuan Hang qualified as a high and new technology enterprise and will continued to be entitled to reduced tax rate of 15% from 2011 to 2015, subject to meeting certain criteria on an annual basis. Cosmos, Lian Fei and Beijing Ojava did not qualify as high and new enterprises and the applicable tax rates will be at 25%.

Letang qualified as a comic and animation enterprise in 2010 and was therefore entitled to a two year national and local tax exemption followed by three years of 50% reduction in national and local income tax rates. The qualification for the preferential tax rate needs to be applied to and re-approved on an annual basis. Letang started its tax holiday of two years exemption from 2010. From 2012 to 2015, the tax rate applicable to Letang is 12.5%. Letang was recognized as high and new technology enterprise ("HNTE") by the Local Science and Technology Committee, from 2016 the tax rate applicable is 15%.

Unilink, Qimingxing and Lianyu are considered as small businesses and are taxed based on the deemed profit method.

The new PRC Enterprise Income Tax Laws (the "PRC Income Tax Laws") also impose a 10% withholding income tax for dividends distributed by a foreign invested enterprise to its immediate holding company outside the PRC, which were exempted under the previous income tax and rules. A lower withholding tax rate will be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign holding company.

According to the relevant PRC regulations, dividends on profit earned before 1 January 2008 were exempted from the withholding income tax, while the dividend on profits earned after 1 January 2008 are subject to the withholding income tax. However as of 31 December 2012 and 2013, the Group did not make any provision on withholding tax of profit earned by some of its PRC subsidiaries because based on the business plan for the foreseeable future, there is no plan to distribute the retained earnings of the Group's PRC subsidiaries as it intend to retain such cash for re-investment in the PRC operations.

In accordance with the PRC Income Tax Laws effective from 1 January 2008, enterprises established under the laws of foreign countries or regions and whose "place of effective management" is located within the PRC territory are considered PRC resident enterprises, subject to the PRC income tax at the rate of 25% on worldwide income. The definition of "place of effective management" shall refer to an establishment that exercises, in substance, overall management and control over the production and business, personnel, accounting, properties, etc. of an enterprise. The Group's non-PRC entities, if considered a PRC tax residence enterprise for tax purposes, would be subject to the PRC Enterprise Income Tax at the rate of 25% on their worldwide income.

(In U.S. dollars, unless otherwise stated)

15. Income taxes (Continued)

PRC (continued)

The new PRC Enterprise Income Tax Laws (the "PRC Income Tax Laws") also impose a 10% withholding income tax for dividends distributed by a foreign invested enterprise to its immediate holding company outside the PRC, which were exempted under the previous income tax and rules. A lower withholding tax rate will be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign holding company.

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Income/(loss) before income taxes from continuing operations consists of:

	For the year ended 31 December	
	2021	**2020**
Cayman	(565,386)	(1,103,741)
PRC	(1,055,120)	(3,078,948)
Total income/(loss) before taxes	(1,620,506)	(4,182,689)

The following is reconciliation between the statutory PRC Enterprise Income Tax rate in PRC and the Group's effective tax rate for continuing operations:

	For the year ended 31 December	
	2021	**2020**
Statutory PRC Enterprise Income Tax rate	25%	25%
International tax rate differences	-17%	-17%
Unrecognised tax benefits	17%	17%
Others	0%	0%
Effective tax rate for continuing operations	0%	0%

(In U.S. dollars, unless otherwise stated)

15. Income taxes (Continued)

PRC (continued)

The Group's deferred tax assets and deferred tax liabilities at each balance sheet date are as follows:

	As at 31 December	
	2021	**2020**
Deferred tax assets:		
Accrued liabilities and other payables	908,934	893,400
Advertising expenses	44,033	39,970
Net operating loses	-	-
Others	25,236	22,148
Deferred tax assets for continuing operations	978,203	955,518
Deferred tax assets for discontinued operations	-	-
Total deferred tax assets	978,203	955,518
Deferred tax liabilities:		
Accrued income	(299,775)	(296,863)
Deferred tax liabilities for continuing operations	(299,775)	(296,863)
Deferred tax liabilities for discontinued operations	-	-
Total deferred tax liabilities	(299,775)	(296,863)
Net deferred tax assets/(liabilities)	678,428	658,655

As of December 31 2021, the Group has a net tax operating loss carry forward of $18,799,606 attributed to 15 PRC subsidiaries.

The amount of unrecognized deferred tax liabilities for temporary differences related to investments in foreign subsidiaries is not determined because such a determination is not practicable.

16. Discontinued operations

The assets and liabilities related to the 4 product lines of Karaoke, Music Box, DVD and PC games division of the Group are classified as discontinued operations on the statement of financial position, and the results are presented separately on the consolidated statement of comprehensive income as "Discontinued operations". The Group ceased DVD and PC games product lines in FY 2014 and Karaoke and Music Box in FY 2015.

The results of the discontinued operations for the financial year ended 31 December 2021 and 2020 are as follows:

	For the year ended 31 December	
	2021	**2020**
Operating expenses	(3,242)	(3,506)
Operating loss	(3,242)	(3,506)
Loss after tax from discontinued operations	(3,242)	(3,506)

(In U.S. dollars, unless otherwise stated)

16. Discontinued operations (Continued)

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

	As at 31 December	
	2021	**2020**
Cash and cash equivalents	3,138	5,541
Deposits and other current assets	95	101
	3,233	5,642
Property, plant and equipment	-	-
	-	-
Total assets	**3,233**	**5,642**
Accounts payable, accrued liabilities and other payables	(853)	1,492
Total liabilities	**(853)**	**1,492**

17. Related party transactions

Due from/(to) related parties include:

	As at 31 December	
	2021	**2020**
Accounts receivables (i)	-	-
Receivables from other related parties	426,378	423,126
Due from related parties	426,378	423,126
Due to related parties	(5,712,098)	(2,944,317)

The carrying amounts of the Group's due from/(to) related parties are denominated USD.

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

1) MNC
2) Infokom
3) PT Rajawali Citra Televisi Indonesia ("RCTI")
4) PT Global Informasi Bermutu ("Global TV")
5) PT MNC Vision Networks Tbk (formerly Sky Vision)
6) PT Cipta Televisi Pendidikan Indonesia ("MNC TV")