

# ASX HALF-YEAR REPORT

## migme Limited

ABN 43 059 457 279

For the half-year ended 30 June 2015

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 31 December 2014 Annual Report and any announcements made to the market by migme Limited during the half year period ended 30 June 2015

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## migme Limited

Half-Year ended 30 June 2015

(Previous corresponding period being the half-year ended 30 June 2014)

### Results for announcement to the market

	Half-year ended 30 June 2015 \$	Half-year ended 30 June 2014 \$	Change %
Revenue <i>(Appendix 4D item 2.1)</i>	3,029,095	959,464	216
Loss for the half-year after tax attributable to members <i>(Appendix 4D item 2.2)</i>	(8,808,103)	(10,575,250)	(17)
Net Loss for the period attributable to members <i>(Appendix 4D item 2.3)</i>	(8,808,103)	(10,575,250)	(17)
Dividends <i>(Appendix 4D item 2.4)</i>	-	-	-

### Overview

For the half year to 30 June 2015 migme Ltd (“migme”) has advanced its business strategy in the east Asian emerging markets including Indonesia, Philippines and India. Through these emerging markets migme has grown its Monthly Active Users (MAU) to more than 19.0m MAU’s. This is a significant increase from 7.0m MAU’s (171%) at the time of listing in August 2014.

During the half year period migme has invested in establishing the executive and operational team; marketing initiatives and product development program to further refine, enhance and expand the user experience to further penetrate these emerging markets and monetise these accordingly.

### Revenue *(Appendix 4D item 2.6)*

These programs whilst in their initial phases have resulted in a 216% increase in revenue to \$3.0m compared to the prior corresponding period of \$1.0m. The main drivers of this growth include:

- Strong growth in Monthly Active Users (MAU) with over 19m MAU’s at 30 June 2015 compared to approximately 7m as at migme’s ASX listing date on 11 August 2014
- Further partnering with artists/celebrities and media enterprises in emerging markets driving user participation
- Monetisation of user base by the addition of further payment channels to facilitate payment by users in emerging markets who previously had no avenue for payment
- Launch of sold.sg platform which provides auction and ecommerce service to migme users

## **Explanation of loss for the half year-year after tax (*Appendix 4D item 2.6*)**

After accounting for the increase in revenue as outlined above the loss for the half-year after decreased by \$1.77m due to an increase in expenditure as follows:

- Additional marketing costs to drive and promote the migme brand (up by \$0.76m);
- Further investment in human resource personnel including the establishment of country offices in India and Philippines (up by \$2.49m);
- Other operational costs (up by \$0.23m); and
- Offset by lower employee share based payment expense (down by \$5.25m).

### **Outlook**

In the second half, migme will seek to further enhance the quality of service, experience, operations and consolidate the growth in user numbers and sales revenue. We are planning to bring more artists and media partners on board and building further engaging experiences on our platform that will drive the growth in the number of monetising users and revenue per user.

The second half will also see the full deployment of operational capability and establishment of local offices in India and the Philippines to realise the market opportunity and achieve critical mass in our target markets, a key requirement towards realising profitability.

# migme Limited

## Interim Financial Statements For the Half-Year Ended 30 June 2015

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## **migme Limited**

### **Directors' Report**

The Board of Directors of migme Limited (the Company) present their report in respect of the financial half-year ended 30 June 2015.

#### **Directors**

The names of the directors of the Company in office during the whole of the half-year and up to the date of this report, unless otherwise indicated, are:

Mr. Howard Dawson	Chairman
Mr. Steven Goh	Executive Director & CEO
Mr. Yen Chang (Charles) Pan	Executive Director
Mr. Dmitry Levit	Non-Executive Director
Mr. Andi Zain	Non-Executive Director
Mr. John Lee	Non-Executive Director
Dr. Yichin Lee	Non-Executive Director
Mr. Stephen Llanwarne	Non-Executive Director
Ms. Chieh Suang Khor (alternate Director to Mr Dmitry Levit)	Non-Executive Director

#### **Principal Activities**

migme Limited is a digital media group focused on emerging markets. The Company is headquartered in Singapore and listed on the Australian Securities Exchange (ASX) and German Börse. The migme platform features chat, chatrooms, virtual gifts, avatars, games, microblogging, social entertainment and ecommerce for mobile devices and the web – with monetisation tools applicable for emerging markets.

#### **Review of Operations and Financial Results**

The group has recorded as loss after tax of \$8.808m for the half-year ended 30 June 2015 (2014: loss after tax of \$10.575m).

#### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

## **Auditor's Independence Declaration**

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is provided immediately after this report.

The directors' report is signed in accordance with a resolution of the Board of Directors.



**Steven Goh**  
26 August 2015

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26 August 2015

Board of Directors  
Migme Limited  
13/36 Johnson Street  
Guildford, Western Australia 6055

Dear Sirs

**RE: MIGME LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Migme Limited.

As the Audit Director for the review of the financial statements of Migme Limited for the half year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

I also declare that during the current financial period, a contravention of auditor's rotation requirements was identified which had occurred in respect of the review for the half year ended 31 December 2013, which has since been rectified.

Yours faithfully  
**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(Trading as Stantons International)  
(An Authorised Audit Company)



**Samir Tirodkar**  
Director

**migme Limited**  
**Condensed Consolidated Statement of Profit or Loss and Other**  
**Comprehensive Income**  
For the half-year ended 30 June 2015

	Notes	Half-Year	
		2015 \$	2014 \$
Revenue		3,029,095	959,464
Cost of sales		(2,927,292)	(257,477)
Marketing expenses		(856,931)	(120,235)
<b>Gross (loss)/profit</b>		<b>(755,128)</b>	<b>581,752</b>
Other income		5,699	3,962
Employee benefits expenses		(4,962,191)	(2,469,440)
Operating expenses		(1,927,469)	(1,872,509)
Realised and unrealised foreign exchange gains/(losses)		90,130	(49,559)
Share-based payment expenses		(922,744)	(6,168,842)
Goodwill impairment		(335,366)	(576,048)
<b>Loss before tax</b>		<b>(8,807,069)</b>	<b>(10,550,684)</b>
Income tax expense		(1,034)	(24,566)
<b>Loss for the half-year</b>		<b>(8,808,103)</b>	<b>(10,575,250)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>		-	-
<b>Items that are or may be reclassified to profit or loss</b>			
Foreign currency translation		63,804	459,393
Fair value adjustments on assets		170,229	-
<b>Other comprehensive income, net of tax</b>		<b>234,033</b>	<b>459,393</b>
<b>Total comprehensive loss</b>		<b>(8,574,070)</b>	<b>(10,115,857)</b>
<b>Loss attributable to owners of the company</b>		<b>(8,808,103)</b>	<b>(10,575,250)</b>
<b>Total comprehensive loss attributable to owners of the company</b>		<b>(8,574,070)</b>	<b>(10,115,857)</b>
<b>Loss per share (cents per share)</b>			
Basic loss per share	7	(0.03)	(0.21)
Diluted loss per share	7	(0.03)	(0.21)

The above consolidated statement of profit or loss and other comprehensive income or loss should be read in conjunction with the accompanying notes.



# migme Limited

## Condensed Consolidated Statement of Financial Position

As at 30 June 2015

	Note	30 June 2015 \$	31 December 2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,388,650	5,926,090
Prepayments		292,858	120,688
Inventories		180,092	-
Other assets		469,973	504,501
<b>Total current assets</b>		<b>6,331,573</b>	<b>6,551,279</b>
<b>Non-current assets</b>			
Leasehold improvements and equipment		520,398	501,586
Other non-current assets		330,422	144,725
<b>Total non-current assets</b>		<b>850,820</b>	<b>646,311</b>
<b>Total assets</b>		<b>7,182,393</b>	<b>7,197,590</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,636,290	1,351,867
Provisions		236,870	181,478
Deferred revenue		547,322	71,575
<b>Total current liabilities</b>		<b>2,420,482</b>	<b>1,604,920</b>
<b>Total liabilities</b>		<b>2,420,482</b>	<b>1,604,920</b>
<b>Net assets</b>		<b>4,761,911</b>	<b>5,592,670</b>
<b>EQUITY</b>			
Contributed equity	8	85,413,235	78,592,668
Reserves	9	9,363,771	8,206,994
Retained loss		(90,015,095)	(81,206,992)
<b>Total equity</b>		<b>4,761,911</b>	<b>5,592,670</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## migme Limited

### Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance as at 1 January 2015</b>	<b>78,592,668</b>	<b>8,206,994</b>	<b>(81,206,992)</b>	<b>5,592,670</b>
Loss for the half-year	-	-	(8,808,103)	(8,808,103)
Foreign currency translation movement	-	63,804	-	63,804
Fair value adjustments on assets	-	170,229	-	170,229
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>234,033</b>	<b>(8,808,103)</b>	<b>(8,574,070)</b>
<b>Transactions with owners of the company</b>				
Recognition of share based payments	-	922,744	-	<b>922,744</b>
Issue of share capital (net of capital raising costs)	6,820,567	-	-	<b>6,820,567</b>
<b>Balance as at 30 June 2015</b>	<b>85,413,235</b>	<b>9,363,771</b>	<b>(90,015,095)</b>	<b>4,761,911</b>

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
<b>Balance as at 1 January 2014</b>	<b>41,770,202</b>	<b>5,893,227</b>	<b>(52,578,413)</b>	<b>(4,914,984)</b>
Loss for the half-year	-	-	(10,575,250)	(10,575,250)
Foreign currency translation movement	-	459,393	-	<b>459,393</b>
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>459,393</b>	<b>(10,575,250)</b>	<b>(10,115,857)</b>
<b>Transactions with owners of the company</b>				
Recognition of share based payments	-	934,824	-	<b>934,824</b>
Issue of share capital (net of capital raising costs) – refer note 8(b)	5,589,982	-	-	<b>5,589,982</b>
<b>Balance as at 30 June 2014</b>	<b>47,360,184</b>	<b>7,287,444</b>	<b>(63,153,663)</b>	<b>(8,506,035)</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## migme Limited

### Condensed Consolidated Statement of Cash Flows

For the half-year ended 30 June 2015

	Note	Half-Year	
		2015	2014
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		3,325,650	864,313
Payments to suppliers and employees		(10,782,582)	(5,306,133)
Income taxes paid		(8,698)	(32,215)
<b>Net cash used in operating activities</b>		<b>(7,465,630)</b>	<b>(4,474,035)</b>
<b>Cash flows from investing activities</b>			
Acquisition of leasehold improvement and equipment		(121,148)	(89,729)
Acquisition of intangible assets		(77,398)	(23,296)
Cash from acquisition of subsidiaries		-	(26,657)
Repayment of convertible notes		465,394	-
<b>Net cash from/(used) in investing activities</b>		<b>266,848</b>	<b>(139,682)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of convertible notes		-	7,306,028
Interest paid on convertible notes		-	(129,388)
Proceeds from issue of shares		6,553,467	-
Proceeds from exercise of share options		23,198	-
<b>Net cash from financing activities</b>		<b>6,576,665</b>	<b>7,176,640</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(622,117)</b>	<b>2,562,923</b>
Cash and cash equivalents at 1 January		5,926,090	374,169
Effect of movements in exchange rates on cash held		84,677	(21,957)
<b>Cash and cash equivalents at 30 June</b>		<b>5,388,650</b>	<b>2,915,135</b>

The above preliminary consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## **migme Limited**

### **Notes to the Consolidated Financial Statements**

**For the half-year ended 30 June 2015**

#### **1. Basis of Preparation of Half-Year Financial Statements**

The financial statements of the Company are for the six (6) months ended 30 June 2015 and are presented in Australian Dollar (\$AUD), which is the functional currency of the Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

On 5 August 2014, migme Limited, formerly Latin Gold Limited (the Legal Parent and Legal Acquirer), completed a merger with the acquisition of Project Goth, Inc. and subsidiaries (Project Goth, Inc. and the Legal Acquiree). In accordance with "AASB 3: Business Combination" (AASB 3), the merger was recorded under the reverse acquisition principals which resulted in the Legal Parent being accounted for as the subsidiary, while the Legal Acquiree, being accounted for as the parent. Therefore, the comparatives represent the results for the six months of Project Goth Inc.

The financial statements have been approved and authorised for issue by the Board of Directors on 26 August 2015.

#### **2. Going Concern**

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half-year ended 30 June 2015 of \$8,808,103 (2014: \$10,575,250), and a net cash outflow from operating activities of \$7,465,630 (2014: \$4,474,035). As at 30 June 2015, the Group has working capital surplus of \$3,911,091 (2014: \$4,496,359).

The Group's ability to continue as a going concern and pay its debts as and when they fall due, assumes the following:

- a) the Group's ability to generate sufficient increase in customer receipts to cover ongoing expense disbursements; and/or
- b) the Group is able secure further investment to finance the Group's operations.

The Directors have reviewed the business outlook and cash flow forecast and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will achieve the matters set out above. As such, the Directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

## migme Limited

### Notes to the Consolidated Financial Statements

For the half-year ended 30 June 2015

#### 3. Significant Accounting Policies

The financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year end 31 December 2014. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application for the financial statements is either not relevant or not material.

#### 4. Estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2014.

#### 5. Business Combinations

On 21 January 2015, the Company acquired an online entertainment shopping website [www.sold.sg](http://www.sold.sg). The total consideration paid was \$335,366 consisting of the following:

	\$
Cash paid/payable	91,464
Shares issued	243,902
Total consideration paid	<b>335,366</b>
Less: fair value of identifiable assets acquired	-
<b>Goodwill</b>	<b>335,366</b>

As a result of impairment testing, goodwill of \$335,366 has been written off for the half-year ended 30 June 2015.

Purchase consideration – the inflow/(outflow) of cash to acquire the business, net of cash acquired:

	\$
Cash balance acquired	-
Less: cash paid/payable	(91,464)
<b>Net outflow of cash</b>	<b>(91,464)</b>

## migme Limited

### Notes to the Consolidated Financial Statements

For the half-year ended 30 June 2015

#### 6. Segment Reporting

Based on the information used for internal reporting purposes by the chief operating decision maker, being the Board of Directors, at 30 June 2015, the Company operated in one reportable segment being the migme platform operations in Asia.

The reportable segment financial statements are therefore the same as the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of financial position.

#### 7. Earnings Per Share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent divided by the weighted average number of ordinary shares during the half-year.

Diluted earnings/(loss) per share is calculated as above with an adjustment for the weighted number of ordinary shares that would be issued on conversion of all dilutive ordinary shares.

Basic and dilutive earnings/(loss) per share are calculated as follows:

	Half-Year	
	2015 \$	2014 \$
Profit/(loss) attributable to members of the Group	(8,808,103)	(10,575,250)
	<b>Shares</b>	<b>Shares</b>
Weighted average number of ordinary shares for basic earnings per share	256,054,014	49,224,757
Effect of dilution	-	-
Weighted number of ordinary shares adjusted for dilution	256,054,014	49,224,757
	<b>Cents</b>	<b>Cents</b>
<b>Loss per share:</b>		
Basic loss for the half-year attributable to members of the parent	(0.03)	(0.21)
Diluted loss for the half-year attributable to members of the parent	(0.03)	(0.21)

## migme Limited

### Notes to the Consolidated Financial Statements

For the half-year ended 30 June 2015

#### 8. Contributed Equity

##### a) Reconciliation of Contributed Equity

During the first (6) months of 2015, the following shares were issued:

- Acquisition of www.sold.sg on 21 January 2015 : 363,919 shares issued at \$0.67 per share
- Share placement completed on 21 April 2015: 10,447,761 shares at \$0.67 per share.

	30 June 2015	31 December 2014
	\$	\$
Issued capital	85,413,235	78,592,668

	Number of Shares 30 June 2015	Six (6) months to 30 June 2015 \$	Number of Shares – Year to 31 December 2014	Year to 31 December 2014 \$
<b>Balance at the beginning of the period</b>	<b>251,632,014</b>	<b>78,592,668</b>	<b>72,421,600</b>	<b>41,770,202</b>
Options and warrants converted to shares	-	-	80,718	1,592
Issuance of shares – employees	-	-	36,486,068	2,378,875
Issuance of shares - arrangers	-	-	23,333,333	2,752,393
Issuance of shares - AlivenotDead acquisition	-	-	4,504,504	553,150
Issuance of shares – employee share option trust	-	-	17,138,102	-
<b>Merger of migme Limited and Project Goth, Inc.</b>				
Elimination of existing Project Goth, Inc. shares	-	-	(153,964,325)	-
Existing migme Limited shares on acquisition	-	-	64,630,647	12,926,115
Issue of migme Limited shares to Big Build Enterprises Limited	-	-	40,000,000	8,000,000
Issue of migme Limited shares on acquisition of convertible notes	-	-	51,498,849	10,299,766
Issue of migme Limited shares for the acquisition of Project Goth, Inc.	-	-	92,378,595	-
Issue of migme Limited shares to brokers	-	-	3,123,923	624,785
Options exercised	-	23,198	-	9,812
Issuance of shares – April 2015	10,447,761	7,000,000	-	-
Capital raising costs	-	(446,533)	-	(724,022)
Issuance of shares – sold.sg acquisition	363,919	243,902	-	-
<b>Total shares outstanding at end of period</b>	<b>262,443,694</b>	<b>85,413,235</b>	<b>251,632,014</b>	<b>78,592,668</b>

## migme Limited

### Notes to the Consolidated Financial Statements

For the half-year ended 30 June 2015

#### 8. Contributed Equity (continued)

##### b) Reconciliation of Contributed equity for the 6 months to 30 June 2014

	30 June 2014
	\$
Balance brought forward	41,770,202
Issuance of shares – employees (as part of share based payments expense)	2,378,875
Issuance of shares - arrangers (as part of share based payments expense)	2,752,393
Options and warrants converted to shares	1,592
Issuance of shares - AlivenotDead acquisition	553,150
Less: Capital raising costs	(96,028)
<b>Balance carried forward</b>	<b>47,360,184</b>

#### 9. Reserves

	30 June 2015	31 December 2014
	\$	\$
Share options	4,301,119	3,868,687
Share equity	1,016,329	526,017
Share warrants	301,961	301,961
Foreign currency translation reserve	3,574,133	3,510,329
Mark to market reserve	170,229	-
<b>Total</b>	<b>9,363,771</b>	<b>8,206,994</b>

	Half-year ended 30 June 2015	12 months ended 31 December 2014
	\$	\$
<b>Share options reserve</b>		
Opening Balance	3,868,687	2,999,583
Options vesting during the period	432,432	869,104
<b>Closing Balance</b>	<b>4,301,119</b>	<b>3,868,687</b>
<b>Share equity reserve</b>		
Opening Balance	526,017	-
Shares vested during the period	490,312	526,017
<b>Closing Balance</b>	<b>1,016,329</b>	<b>526,017</b>



**migme Limited**  
**Notes to the Consolidated Financial Statements**  
For the half-year ended 30 June 2015

**9. Reserves (continued)**

	Half-year ended 30 June 2015 \$	12 months ended 31 December 2014 \$
<b>Share warrants reserve</b>		
Opening Balance	301,961	301,961
Share warrants issued during the period	-	-
<b>Closing Balance</b>	<b>301,961</b>	<b>301,961</b>
<b>Foreign currency translation reserve</b>		
Opening Balance	3,510,329	2,591,683
Translation of controlled entities	63,804	918,646
<b>Closing Balance</b>	<b>3,574,133</b>	<b>3,510,329</b>
<b>Mark to market reserve</b>		
Opening Balance	-	-
Increase in mark to market assets – Tier 1	170,229	-
<b>Closing Balance</b>	<b>170,229</b>	<b>-</b>

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## migme Limited

### Notes to the Consolidated Financial Statements

For the half-year ended 30 June 2015

#### 10. Fair Value Measurement of Financial Instruments

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy as follows:

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

The Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2015 and 31 December 2014 on a recurring basis are as follows:

<b>As at 30 June 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Listed securities	206,867	-	-	<b>206,867</b>
<b>Total</b>	<b>206,867</b>	-	-	<b>206,867</b>
<b>Net Fair Value</b>	<b>206,867</b>	-	-	<b>206,867</b>

<b>As at 31 December 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Listed securities	34,385	-	-	<b>34,385</b>
<b>Total</b>	<b>34,385</b>	-	-	<b>34,385</b>
<b>Net Fair Value</b>	<b>34,385</b>	-	-	<b>34,385</b>

#### 11. Contingent Liabilities

The Company is not aware of any contingent liabilities as at 30 June 2015.

#### 12. Other Significant Information

There is no other significant information that has not been reported in this Appendix 4E and/or in prior market announcements.

#### 13. Significant Events After Balance Sheet Date

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly affected or may significantly affect the operations of the consolidated entity.

## **migme Limited**

### **Directors' Declaration**

In the directors' opinion:

- a) the financial statements and notes set out on pages 8 to 18 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date.
  
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Steven Goh  
Director  
26 August 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
MIGME LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Migme Limited, which comprises the condensed statement of financial position as at 30 June 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Migme Limited (the consolidated entity). The consolidated entity comprises both Migme Limited (the Company) and the entities it controlled during the half year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Migme Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Migme Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Migme Limited on 26 August 2015.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Migme Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.


*Significant Uncertainty Regarding Going Concern*

Without qualification to the review conclusion expressed above, attention is drawn to the following matter:

As referred to in note 2 to the financial statements, the financial statements have been prepared on a going concern basis. At 30 June 2015 the consolidated entity had cash and cash equivalents of \$5,388,650 and a net working capital surplus of \$3,911,091. The consolidated entity had incurred a net loss for the period ended 30 June 2015 of \$8,808,103 and had accumulated losses of \$90,015,095 at that date.

The ability of the consolidated entity to continue as a going concern and meet its planned expansion, operating costs, and other commitments is dependent upon the consolidated entity successfully exploiting its current business to generate sufficient cash flows through revenues and/or raising further capital. Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit and Consulting Pty Ltd*  


:  
**Director**

West Perth, Western Australia  
26 August 2015

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**migme Limited**  
**Supplementary Appendix 4D information**

**Net Tangible Asset *(Appendix 4D item 3)***

	Half-year ended 30 June 2015 \$	Half-year ended 30 June 2014 \$
Net tangible asset backing per ordinary share	0.02	(0.09)

**Foreign Entities *(Appendix 4D item 8)***

For foreign entities, International Financial Reporting Standards are used in compiling the half-year consolidated report.

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## **migme Limited**

### **Corporate Directory**

#### **Directors**

Howard Dawson	Chairman
Steven Goh	Executive Director & CEO
Yen Chang (Charles) Pan	Executive Director
Dmitry Levit	Non-Executive Director
Andi Zain	Non-Executive Director
John Lee	Non-Executive Director
Yichin Lee	Non-Executive Director
Stephen Llanwarne	Non-Executive Director
Chieh Suang Khor (alternate Director to Mr Dmitry Levit)	Non-Executive Director

#### **Officers**

Mike Higginson	Company Secretary
Anthony Benino	Chief Financial Officer

#### **Stock Exchange Listing**

Australian Stock Exchange (ASX: MIG) and Deutsche Börse (WKN: AA117AB)

#### **Registered Office**

13/36 Johnson Street  
Guildford, WA 6055, Australia

#### **Auditors**

Stantons International  
Level 2, 1 Walker Avenue  
West Perth WA 6005, Australia

#### **Legal Counsel**

Baker McKenzie  
Level 27, AMP Centre  
50 Bridge Street  
Sydney NSW 2000, Australia

#### **Tax Advisor**

PKF Mack  
4<sup>th</sup> Floor, 35 Havelock Street  
West Perth WA 6009, Australia

#### **Share Registry**

Advanced Share Registry  
110 Stirling Hwy,  
Nedlands WA 6009, Australia