

**Appendix 4E Preliminary Final Report
For the Financial Year ended 31 December 2013**

1. DETAILS OF REPORTING PERIOD

Current Reporting Period: Financial Year ended 31 December 2013 ("FY 2013")
 Previous reporting Period: Financial Year ended 31 December 2012 ("FY 2012")

2. RESULTS FOR ANNOUCEMENT TO THE MARKET

		31-Dec-13 US\$'000	31-Dec-12 US\$'000	Change US\$'000	Change %
2.1	Revenues from ordinary activities	42,643	46,151	(3,508)	-7.6%
2.2	(Loss)/income from ordinary activities after tax attributable to members	(15,141)	20,166	(35,307)	-175.1%
2.3	Net (loss)/ income for the period attributable to members	(15,141)	20,166	(35,307)	-175.1%
2.4	Amount per security and franked amount per security of final and interim dividends	No dividend have been paid or proposed during the financial year			
2.5	Record date for determining entitlements to the dividends	Not applicable			

2.6 Explanation of the above figures in 2.1 to 2.4

Revenue for FY 2013 is US\$3.5m or 7.6% lower than FY 2012 mainly due to lower revenue from China mobile value-added services, partially offset by higher revenue from China mobile games.

The Group recorded a net loss attributable to members of US\$15.1m for FY 2013, compared to a net income attributable to members of US\$20.2m in FY 2012; the difference is mainly attributable to the higher investment gain recognised on the sale and valuation of the quoted investment of US\$39.4m in FY 2012, compared to a lower investment gain of US\$10.3m recognised in FY 2013. The difference is further perpetuated by higher foreign exchange loss in FY 2013 of US\$18.0m, caused by the depreciation of the Indonesian rupiah against the United States dollar, as the quoted investments of the Company is denominated in Indonesian rupiah.

3. STATEMENT OF COMPREHENSIVE INCOME – SEE ATTACHED

4. STATEMENT OF FINANCIAL POSITION – SEE ATTACHED

5. STATEMENT OF CASH FLOW – SEE ATTACHED

6. STATEMENT OF CHANGES IN EQUITY – SEE ATTACHED**7. DIVIDEND PAYMENTS**

No dividend was declared or paid during the financial year.

8. DIVIDEND REINVESTMENT PLANS

There is no dividend reinvestment plan in operation.

9. NET TANGIBLE ASSETS PER SECURITY

	31-Dec-13	31-Dec-12
Net tangible assets per security (cents per share)	\$0.36	\$0.41

10. GAIN OR LOSS OF CONTROL OVER ENTITIES

There is no change to controlled entities during the financial year.

11. DETAILS OF ASSOCIATES AND JOINT VENTURES

The Company does not have any associates or joint ventures.

12. OTHER SIGNIFICANT INFORMATION

During FY 2013, the Company purchased 362,711 ADSs in the open market at an average price of \$2.71 per ADS pursuant to the Company's buyback program announced in November 2012.

The Company voluntarily delisted its American Depositary Shares ("ADSs") from the NASDAQ Global Select Market on 2 January 2014 and thereafter, on 15 January 2014, deregistered its ordinary shares under the Securities Exchange Act of 1934, as amended. This deregistration suspends the Company's obligation to file certain reports with the SEC, including Forms 20-F and 6-K.

13. BASIS OF PRESENTATION

Linktone is a company incorporated in the Cayman Islands and this report meets requirements of the Cayman Islands regulations.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP").

14. OPERATIONS AND FINANCIAL REVIEW

At the start of 2014, Linktone Ltd. ("Linktone" and together with its subsidiaries, the "Group") embarked on a strategic repositioning of our business focus to deliver higher value to shareholders. In view of changes in the market landscape, we made a strategic decision to move away from telecommunication value-added services ("VAS") in China, and sharpen our focus on our media and entertainment content and services businesses that have higher growth potential.

This business transition will inevitably have an impact on the Group's revenue in 2014, given that our China VAS business accounted for a major revenue share previously. However, we envisage revenue contributions from our remaining businesses in mobile games, media content, news and social portals to grow in 2014.

While our China VAS business turned in a weaker set of financial results in 2013, we were encouraged by the improved performance of our Mobile Games business in China. Our new parenting portal, which currently targets users in Shanghai and Beijing, is also gaining traction and building its user base. Outside of China, we continue to channel our efforts into increasing the user traffic of our online news and entertainment portal in Indonesia. We believe that our initiatives to develop our digital media and entertainment businesses shall progressively reap benefits for the Group in the coming years.

GROUP FINANCIAL REVIEW

For the year ended 31 December 2013 ("FY2013"), the Group posted revenue of US\$42.6 million, down 7.6% from US\$46.2 million in FY2012. The decrease was due mainly to a decline in revenue from our China VAS business. This was partially buffered by significant growth in sales generated from our Mobile Games business in China. The revenue performance of our Indonesia Digital Media and Media Content segments were relatively steady in FY2013 compared to FY2012.

Gross profit declined 15.4% to US\$13.7 million from US\$16.2 million previously, attributed primarily to the decrease in gross profit contributions from our China business division and Media Content segment. The Group's gross profit margin narrowed to 32.1% as compared to 35.2% in FY2012. Our China business division, which comprises China VAS, Mobile Games and PC games segments, recorded lower gross profit margin in FY2013 due mainly to a change in revenue mix of our Mobile Games business, with higher revenue contribution from single player games which has lower gross margin. Media Content segment also saw reduced gross profit margin as a result of lower than expected performance of video and theatrical releases.

The Group's operating expenses in FY2013 amounted to US\$23.4 million, down 32.6% from US\$34.7 million last year due to an absence of a provision for impairment which was recorded in FY 2012 as well as reduced selling and marketing expenses. Product development expenses increased in FY2013 as a result of the development costs for our Mobile Games, PC games business segments and our new parenting portal. On the other hand, selling and marketing expenses declined in FY2013 as we streamlined the expense structure of our China VAS business segment.

Other operating income in FY2013 was US\$10.3 million, a decrease of 73.9% from US\$39.4 million in FY2012. Other operating income in FY2012 was boosted by a gain of US\$29.0 million on sales of short-term investments comprising of quoted securities. In comparison, a smaller gain of US\$5.7 million was recorded on sales of short-term investments in FY2013. Also, the unrealised gain on market valuation of the short-term investments at year end was US\$4.1 million for FY 2013 compared to higher unrealised gain of US\$10.1m recorded in FY 2012. Consequently, the Group's operating income in FY2013 declined to US\$0.5 million compared to US\$21.0 million in FY2012.

The net loss on foreign exchange in FY2013 was US\$18.0 million, significantly higher than US\$5.6 million in FY2012. This was attributed to the depreciation of the Indonesia rupiah against the United States Dollar which resulted in a significant exchange loss from our quoted investments that are denominated in Indonesia rupiah.

The Group recorded a net loss attributable to equity holders of the Company of US\$15.1 million compared to net income of US\$20.2 million in FY2012. The decline in bottom line was mainly due to the reduction in gains on sales and marked to market valuation of short-term investments and higher foreign exchange loss. Correspondingly, the basic loss per share in FY2013 was US\$0.04 compared to earnings per share of US\$0.05 in FY2012.

As at 31 December 2013, the Group had shareholders' equity of US\$158.1 million, down from US\$175.2 million as at 31 December 2012, due mainly to the net loss and stock repurchases in FY2013.

Current assets as at 31 December 2013 were US\$134.9 million compared to US\$151.0 million as at 31 December 2012. The decrease was attributed to lower cash and cash equivalents, short-term investments and accounts receivable which were partially offset by higher inventories.

Cash and cash equivalents decreased to US\$28.3 million from US\$35.0 million a year ago. The decline in cash is due to operational usage. Short-term investments decreased to US\$86.1 million compared to US\$90.3 million due mainly to the adverse effect of foreign exchange rate movement on our quoted securities denominated in Indonesia rupiah. The decrease in accounts receivable in FY2013 was in line with lower revenue and higher allowance for doubtful receivables.

Long-term assets totaled US\$48.2 million as at 31 December 2013, down from US\$53.5 million as at 31 December 2012. The decrease in long-term assets was due mainly to a reduction in other long-term assets which comprised capitalised video licensing rights, which was amortised over the year.

Current liabilities as at 31 December 2013 stood at US\$24.1 million, compared to US\$25.8 million as at 31 December 2012. Accounts payable, accrued liabilities and other payables were lower at US\$11.6 million compared to US\$15.6 million previously. This was partially offset by higher amounts due to related parties and increase in short-term loan. Long-term liabilities decreased to US\$0.9 million as compared to US\$3.4 million as at 31 December 2012, attributed mainly to the payment of other long-term liabilities which comprised payments made to licensors for video content licensing rights.

15. INFORMATION ON AUDIT OR REVIEW

The financial statements are in the process of being audited.

SIGNED:



TAN PECK JOO

CFO/ DIRECTOR

28 FEBRUARY 2014



LINKTONE LTD

ABN 164 134 472

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS) (In U.S. dollars, except number of shares)

	Note	For the year ended December, 31	
		2012	2013
Gross revenue from non-related parties		44,112,572	40,726,521
Gross revenue from related parties		2,038,304	1,916,857
Gross revenue		<u>46,150,876</u>	<u>42,643,378</u>
Sales tax		(808,257)	(525,659)
Net revenue		45,342,619	42,117,719
Cost of revenue		(29,101,245)	(28,419,861)
Gross profit		<u>16,241,374</u>	<u>13,697,858</u>
Operating expenses:			
Product development		(3,204,485)	(4,886,018)
Selling and marketing		(7,191,373)	(4,538,649)
General and administrative		(14,330,485)	(14,018,163)
Provision for impairment		(9,928,373)	-
Total operating expenses		(34,654,716)	(23,442,830)
Other operating income	9	39,414,544	10,294,810
Operating income/(loss)		<u>21,001,202</u>	<u>549,838</u>
Interest income, net of financial expenses from non-related parties		1,282,336	798,213
Loss on foreign exchange - net		(5,552,040)	(18,021,346)
Other income/(loss), net of other expenses		542,845	(468,888)
Income/(loss) before income tax		17,274,343	(17,142,183)
Income tax benefit		1,260,608	593,263
Net income/(loss)		<u>18,534,951</u>	<u>(16,548,920)</u>
Net loss attributable to non-controlling interest		1,630,853	1,407,474
Net income/(loss) attributable to ordinary shareholders of the Company		<u>20,165,804</u>	<u>(15,141,446)</u>
Basic earnings/(loss) per ordinary share:			
Net income/(loss)		0.05	(0.04)
Diluted earnings/(loss) per ordinary share:			
Net income/(loss)		0.05	(0.04)
Weighted-average number of ordinary shares:			
Basic		409,190,082	404,594,046
Diluted		<u>409,813,841</u>	<u>406,739,582</u>

CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)
(In U.S. dollars, except number of shares)

	For the year ended December, 31	
	2012	2013
Comprehensive income/(loss):		
Net income/(loss)	18,534,951	(16,548,920)
Other comprehensive income:		
Foreign Currency Translation Reserve	533,743	384,328
Unrealised gain on investment	(4,453,157)	-
Comprehensive income/(loss), net of tax	<u>14,615,537</u>	<u>(16,164,592)</u>
Comprehensive loss attributable to non-controlling interest, net of tax	<u>1,530,241</u>	<u>1,666,821</u>
Comprehensive income/(loss) attributable to ordinary shareholders of the Company, net of tax	<u><u>16,145,778</u></u>	<u><u>(14,497,771)</u></u>

CONSOLIDATED BALANCE SHEET
(In U.S. dollars, except number of shares)

	Note	31 December 2012	31 December 2013
Assets			
Current assets:			
Cash and cash equivalents	2	35,041,672	28,274,207
Short-term investments	3	90,318,579	86,136,929
Accounts receivable, net	4	14,287,247	9,939,329
Tax refund receivable		906,197	630,115
Inventories		1,848,552	2,428,713
Due from related parties		1,756,401	1,938,739
Deferred tax assets		732,987	326,952
Deposits and other current assets		6,065,370	5,239,008
Total current assets		<u>150,957,005</u>	<u>134,913,992</u>
Property and equipment, net	5	11,760,831	10,788,922
Intangible assets, net		8,114,889	7,405,365
Goodwill	6	29,571,982	29,571,982
Deferred tax assets		729,386	45,228
Other long-term assets		3,280,479	387,199
Total assets		<u>204,414,572</u>	<u>183,112,688</u>
Liabilities and shareholders' equity			
Current liabilities:			
Account payable, accrued liabilities and other payables	7	15,616,592	11,552,931
Due to related parties		1,246,120	3,092,013
Short-term loans	8	6,122,924	7,114,088
Taxes payable		1,879,355	1,790,308
Deferred revenue		421,723	305,889
Deferred tax liabilities		516,977	227,828
Total current liabilities		<u>25,803,691</u>	<u>24,083,057</u>
Deferred tax liabilities		2,182,299	905,476
Other long-term liabilities		1,258,030	896
Total liabilities		<u>29,244,020</u>	<u>24,989,429</u>

CONSOLIDATED BALANCE SHEET
(In U.S. dollars, except number of shares)

	Note	31 December 2012	31 December 2013
Shareholders' equity			
Ordinary shares (\$0.0001 par value; 500,000,000 shares authorized, 421,435,030 shares issued and 408,018,820 outstanding as of December 31, 2012 and 421,435,030 shares issued and 404,391,710 outstanding as of December 31, 2013)		42,144	42,144
Additional paid-in capital		137,902,242	138,004,146
Treasury stock		(1,905,608)	(2,890,213)
Statutory reserves		2,499,512	2,913,996
Accumulated other comprehensive income:			
Cumulative translation adjustments		11,407,104	12,050,779
Retained earnings/(Accumulated losses)		5,407,903	(10,148,027)
Total shareholders' equity attributable to shareholders of the Company		<u>155,353,297</u>	<u>139,972,825</u>
Non-controlling interest		19,817,255	18,150,434
Total shareholders' equity		<u>175,170,552</u>	<u>158,123,259</u>
Total liabilities and shareholders' equity		<u>204,414,572</u>	<u>183,112,688</u>



LINKTONE LTD

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LINKTONE LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (In U.S. dollars, except share data)

	Ordinary shares Shares	Amount \$	Treasury stock \$	Additional Paid-in capital \$	Statutory reserves \$	Accumulated other comprehensive income \$	Cumulative Translation Adjustments \$	Retained Earnings/ (Accumulated Losses) \$	Non- Controlling interest \$	Total Shareholders' equity \$
Balance as of December 31, 2011 c/f	410,422,650	42,144	(1,425,204)	137,745,875	2,466,165	4,453,157	10,973,973	(14,425,929)	22,645,840	162,476,021
Share repurchase	(2,403,830)	-	(480,404)	-	-	-	-	-	-	(480,404)
Stock-based compensation	-	-	-	156,367	-	-	-	-	-	156,367
Deemed distribution to the controlling shareholder	-	-	-	-	-	-	-	-	-	-
Goodwill impairment attributable to Non-controlling interest	-	-	-	-	-	-	-	(298,625)	-	(298,625)
Other comprehensive income:	-	-	-	-	-	-	-	-	(983,000)	(983,000)
Translation adjustment	-	-	-	-	-	-	433,131	-	100,612	533,743
Unrealized gain on investment in marketable securities	-	-	-	-	-	(4,453,157)	-	-	-	(4,453,157)
Transfer from Accumulated losses to statutory reserve	-	-	-	-	33,347	-	-	(33,347)	-	-
Dividend payable to non-controlling interest of a VIE	-	-	-	-	-	-	-	-	(315,344)	(315,344)
Net income	-	-	-	-	-	-	-	20,165,804	(1,630,853)	18,534,951
Balance as of December 31, 2012	408,018,820	42,144	(1,905,608)	137,902,242	2,499,512	-	11,407,104	5,407,903	19,817,255	175,170,582



LINKTONE LTD

ABN 164 134 472

LINKTONE LTD. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (In U.S. dollars, except share data)

	Ordinary shares Shares	Ordinary shares Amount	Treasury stock	Additional Paid-in capital	Statutory reserves	Cumulative Translation Adjustments	Retained Earnings/ (Accumulated Losses)	Non- Controlling interest	Total Shareholders' equity
		\$	\$	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2012 c/f	408,018,820	42,144	(1,905,608)	137,902,242	2,499,512	11,407,104	5,407,903	19,817,255	175,170,552
Share repurchase	(3,627,110)	-	(984,605)	-	-	-	-	-	(984,605)
Stock-based compensation	-	-	-	101,904	-	-	-	-	101,904
Other comprehensive income:	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	643,675	-	(259,347)	384,328
Transfer from Accumulated losses to statutory reserve	-	-	-	-	414,484	-	(414,484)	-	-
Net income	-	-	-	-	-	-	(15,141,446)	(1,407,474)	(16,548,920)
Balance as of December 31, 2013	404,391,710	42,144	(2,890,213)	138,004,146	2,913,996	12,050,779	(10,148,027)	18,150,434	158,123,259

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

	For the year ended December 31,	
	2012	2013
	\$	\$
Cash flow from operating activities		
Net income/(loss)	18,534,951	(16,548,920)
Adjustments to reconcile net income/(loss) from continuing operations to net cash provided by continuing operating activities:		
Stock-based compensation expense	156,367	101,904
(Gain)/ Loss on disposal of property and equipment	(575,958)	38,461
Provision for impairment	9,928,373	-
Depreciation	762,466	740,306
Amortization of intangible assets	1,956,804	955,398
Provision for doubtful debts	186,558	933,278
Deferred income tax (benefit)	(794,598)	(475,779)
Foreign exchange loss	1,182,509	685,406
Realised (gain)/ loss on sale of quoted securities	(27,938,014)	2,524,892
Unrealized (gain)/ loss on quoted securities	(6,683,798)	5,016,688
Changes in assets and liabilities, net of effect of acquisitions:		
Decrease in accounts receivable	1,145,339	2,342,439
Decrease in tax refund receivable	273,374	166,885
(Increase)/decrease in deposits and other assets	(329,399)	704,285
Decrease/(Increase) in inventories	116,849	(629,949)
(Increase)/ Decrease in short term investments	(3,564,967)	(3,359,930)
Decrease in restricted cash	603,088	-
(Increase)/decrease in other assets	(1,605,888)	2,779,006
Decrease in taxes payable	(2,458,645)	(183,994)
Increase/(decrease) in long-term liabilities	886,213	(1,211,422)
Increase/(decrease) in accounts payable, accrued liabilities and other payables	2,920,981	(1,701,999)
Net cash used in operating activities	(5,297,395)	(7,123,045)
Cash flow from investing activities:		
Proceeds from disposal of property and equipment	1,354,794	-
Purchase of property and equipment	(742,918)	(592,922)
Net cash (used in)/provided by investing activities	611,876	(592,922)

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

	For the year ended December 31,	
	2012	2013
	\$	\$
Cash flow from financing activities:		
Share repurchase	(480,404)	(984,605)
Cash received from bank borrowings	2,006,382	1,805,656
Cash received from related party loan	518,500	-
Repayment of bank loan	(1,983,791)	(523,370)
Net cash provided by financing activities	60,687	297,681
Effect of exchange rate change on cash and cash equivalents	(1,255,314)	650,821
Net decrease in cash and cash equivalents	(5,880,146)	(6,767,465)
Cash and cash equivalents, beginning of year	40,921,818	35,041,672
Cash and cash equivalents, end of year	35,041,672	28,274,207

NOTES TO THE FINANCIAL STATEMENTS
1. DOMICILE AND ACTIVITIES OF THE COMPANY

Linktone Ltd. ("Linktone," or 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 value-added services ("VAS") in People's Republic of China ("PRC") and Indonesia; (ii) online PC and mobile game services to consumers and enterprises in the PRC; and (iii) media content and audio distribution and related services in Singapore, Malaysia, Hong Kong, and Indonesia (iv) operates an online news and entertainment portal in Indonesia and (v) trading in securities with quoted prices. As of December 31, 2013, Linktone is 60.6% owned by PT. Global Mediacom Tbk, an Indonesian corporation ("GMC").

2. Cash and cash equivalents

	As of	
	December 31, 2012	December 31, 2013
	\$	\$
Cash	19,074,190	25,206,311
Time deposits with tenor < 90 days	15,967,482	3,067,896
Total	<u><u>35,041,672</u></u>	<u><u>28,274,207</u></u>

Interest income earned from the above cash and cash equivalents amounted to \$969,197 and \$470,671 for the years ended December 31, 2012 and 2013, respectively.

3. Short-term investments

	As of	
	December 31, 2012	December 31, 2013
	\$	\$
Quoted securities, at market value	68,580,354	76,786,305
Time deposits with tenor > 90 days	21,738,225	9,350,624
Total	<u><u>90,318,579</u></u>	<u><u>86,136,929</u></u>

Net unrealized gain of \$4.1 million (2012: \$10.1 million) was recorded on the marked-to-market valuation of these held-for-trading quoted investment and realized gain of \$5.7 million (2012: \$29.0 million) for the year ended December 31, 2013. Such amounts were recorded in Other Operating Income.

As of December 31, 2012 and 2013, all time deposits have original maturity terms more than three months and are due within one year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
4. Accounts receivable, net

	As of	
	December 31, 2012	December 31, 2013
	\$	\$
Account receivable	16,380,897	13,007,096
Less: Allowance for doubtful receivables	<u>(2,093,650)</u>	<u>(3,067,767)</u>
	<u>14,287,247</u>	<u>9,939,329</u>
Movement in allowance for doubtful receivables:		
Balance at beginning of year	(2,086,695)	(2,093,650)
Write-off against provision	203,242	-
Write back of provision	-	40,086
Additional provision	(186,558)	(973,364)
Translation difference	<u>(23,639)</u>	<u>(40,839)</u>
Balance at the end of year	<u>(2,093,650)</u>	<u>(3,067,767)</u>

5. Property and equipment, net

	As of	
	December 31, 2012	December 31, 2013
Cost		
Buildings	10,796,663	10,419,117
Computer hardware and other equipment	4,580,317	5,062,848
Office equipment	2,218,736	1,747,857
Leasehold improvements	1,220,299	1,238,040
Motor vehicles	<u>334,251</u>	<u>297,189</u>
	19,150,266	18,765,051
Less: Accumulated depreciation	<u>(7,389,435)</u>	<u>(7,976,129)</u>
	<u>11,760,831</u>	<u>10,788,922</u>

For the years ended December 31, 2012 and 2013, the depreciation charges amounted to \$762,466 and \$740,306, respectively.

The Group incurred gain/(loss) of \$575,958 and \$(38,461) from disposal of property and equipment for years ended December, 2012 and 2013, respectively.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
6. Goodwill

The following table summarizes the activity in the balance of goodwill during the period ended December 31, 2012 and December 31, 2013 by reporting unit:

	2012					
	China VAS	Mobile games	Indonesia Digital Media	Media content	PC games	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2012	8,550,715	9,189,843	16,848,642	2,360,658	3,533,497	40,483,355
Goodwill impairment	(8,550,715)	-	-	(2,360,658)	-	(10,911,373)
Balance at 31 December 2012	-	9,189,843	16,848,642	-	3,533,497	29,571,982

	2013					
	China VAS	Mobile games	Indonesia Digital Media	Media content	PC games	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2013 and 31 December 2013	-	9,189,843	16,848,642	-	3,533,497	29,571,982

As of December 31, 2013, the Company performed impairment tests on goodwill assigned to each reporting unit (except for Investment reporting unit which has no goodwill) in a two-step process. The Company determined the fair value of the reporting units using the income approach based on the discounted expected future cash flows associated with these units.

Based on the annual impairment tests as of December 31, 2013, the reporting units of Mobile game, PC game and Indonesia Digital Media had fair values higher than their carrying value, hence management did not recognise any impairment expense on these 3 reporting units during the financial year ended December 31, 2013.

7. Accounts payable, accrued liabilities and other payables

	As of	
	December 31, 2012	December 31, 2013
	\$	\$
Accounts payable	3,287,562	1,559,321
Accrued payroll and welfare benefits	1,854,812	1,429,394
Accrued professional and consulting fees	405,478	325,771
Accrued VAS content fees	3,093,902	1,991,292
Accrued expenses	6,106,898	4,301,031
Other payables	867,940	1,946,122
Total	<u>15,616,592</u>	<u>11,552,931</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
8. Short term loans

	As of	
	December 31, 2012	December 31, 2013
	\$	\$
Bank overdrafts	480,916	2,269,097
Revolving term loans	4,580,403	4,434,492
Term loan, current portion	543,105	-
Loan from related party	518,500	410,499
	6,122,924	7,114,088

The Group's subsidiary in Singapore, InnoForm has \$7.86 million (SGD10.0 million) credit facility from a bank in Singapore. The facilities are secured by a corporate guarantee from PT. Media Nusantara Citra Tbk ("MNC"), a related party.

The details of bank facilities utilized are as follow:

- As of December 31, 2012 and December 31, 2013 InnoForm has utilized \$0.5 million (SGD0.6 million) and \$2.3 million (SGD2.9 million) of the overdraft facility, respectively.
- As of December 31, 2012, and December 31, 2013 InnoForm has utilized revolving term loans facility of \$4.6 million (SGD 5.6 million) and \$4.4 million (SGD 5.6 million) respectively. The revolving loans are of three-months and six-months tenor. Interest rates are by quotation from the bank payable quarterly in arrears. The effective interest rate was 3.9% and 4.2% for the years ended December 31, 2012 and 2013, respectively.
- As of December 31, 2012, \$0.5 million (SGD0.7 million) of the term loan was outstanding and as at December 31, 2013, the term loan was fully repaid .

In 2012, PT Linktone obtained a loan of \$518,500 (IDR 5.0 billion) from PT. Media Nusantara Citra Tbk, a related party. at interest rate of 8% per annum and repayable on demand. This loan is still outstanding as at December 31, 2013.

9. Other operating income

	2012	2013
	\$	\$
Dividend income from short-term investment	364,027	500,462
Unrealised gain on valuation of marketable securities	10,069,120	4,136,045
Gain on sale of marketable securities	28,981,397	5,658,303
	39,414,544	10,294,810

NOTES TO THE FINANCIAL STATEMENTS (Continued)**10. Prior year comparatives**

Certain prior year comparatives amounts have been reclassified to conform with current year presentation as follows:

	2012	Reclassification	2012 (as presented)
	\$	\$	\$
Other operating income	35,045,012	4,369,532	39,414,544
Loss on foreign exchange	(1,182,508)	(4,369,532)	(5,552,040)
Account payable, accrued liabilities and other payables	16,405,947	(789,355)	15,616,592
Due to related parties	456,765	789,355	1,246,120