



INTEGRATED MEDIA TECHNOLOGY LIMITED

**(Formerly known as “CHINA INTEGRATED MEDIA
CORPORATION LIMITED”)**

ACN 132 653 948

Appendix 4E

Preliminary Final Report

For the Financial Year Ended 31 December 2016

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Appendix 4E Preliminary Final Report

Name of entity

**Integrated Media Technology Limited (the “Company”)
(formerly known as “China Integrated Media Corporation Limited”)**

ACN 132 653 948

Financial year ended 31 December 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Group		Movements	Movements
	Year ended 31 December 2016	Year ended 31 December 2015		
	\$	\$	\$	%
Revenue from ordinary activities	14,208,511	6,379,036	7,829,475	123
Profit from ordinary activities after tax attributable to members	3,820,781	2,378,276	1,442,505	61
Total comprehensive income for the year attributable to members	3,498,009	2,524,409	973,600	39

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Group	
		2016 \$	2015 \$
REVENUE			
Revenue from operating activities		14,208,511	6,379,036
Interest income		2,027	389
		<u>14,210,538</u>	<u>6,379,425</u>
Gain on disposal of financial assets at fair value through profit or loss		-	507,694
Other income		107,551	419,580
		<u>14,318,089</u>	<u>7,306,699</u>
EXPENSES			
Cost of revenue		(2,027,743)	(2,984,291)
Employee benefit expenses		(1,715,687)	(981,621)
Depreciation and amortisation expenses		(2,147,231)	(383,635)
Loss on disposal of a subsidiary		(872)	-
Professional and consulting expenses		(300,576)	(391,444)
Travel and accommodation expenses		(431,282)	(59,499)
Other expenses		(1,728,183)	(506,245)
Finance costs		(73,666)	-
Total expenses		<u>(8,425,240)</u>	<u>(5,306,735)</u>
PROFIT BEFORE INCOME TAX	6	5,892,849	1,999,964
Income tax (expenses) / credit		<u>(2,104,757)</u>	<u>356,158</u>
PROFIT FOR THE YEAR		<u>3,788,092</u>	<u>2,356,122</u>
OTHER COMPREHENSIVE INCOME			
Items that may be re-classified subsequently to profit or loss:			
Foreign currency translation		<u>(323,476)</u>	<u>146,149</u>
Other comprehensive income for the year, net of tax		<u>(323,476)</u>	<u>146,149</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,464,616</u>	<u>2,502,271</u>
Profit / (Loss) for the year attributable to:			
Owners of the Company		3,820,781	2,378,276
Non-controlling interests		<u>(32,689)</u>	<u>(22,154)</u>
		<u>3,788,092</u>	<u>2,356,122</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		3,498,099	2,524,409
Non-controlling interests		<u>(33,483)</u>	<u>(22,138)</u>
		<u>3,464,616</u>	<u>2,502,271</u>
Earnings per share			
- Basic		0.05	0.04
- Diluted		<u>0.05</u>	<u>0.04</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	Group	
		2016	2015
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and bank balances		1,820,994	6,883,196
Inventories		1,857,051	698,916
Trade and other receivables		8,995,718	992,524
Financial assets at fair value through profit or loss		-	-
Other assets		2,358,525	788,146
Total current assets		<u>15,032,288</u>	<u>9,362,782</u>
NON-CURRENT ASSETS			
Plant and equipment		1,065,635	1,672,702
Intangible assets and goodwill		24,803,096	25,545,094
Development projects		2,880,005	690,889
Total non-current assets		<u>28,748,736</u>	<u>27,908,685</u>
TOTAL ASSETS		<u>43,781,024</u>	<u>37,271,467</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other liabilities		1,671,801	477,618
Trade deposits received		99,866	337,739
Amount due to ultimate holding company		2,382,707	875,939
Provisions		31,331	29,230
Income tax payable		1,156,347	-
Bank overdraft		784,029	-
Borrowings		447,250	-
Contingent payable liability	11	20,748,035	-
Total current liabilities		<u>27,321,366</u>	<u>1,720,526</u>
NON-CURRENT LIABILITIES			
Amount due to ultimate holding company		-	2,694,900
Deferred tax liabilities		1,909,030	933,853
Contingent payable liability	11	-	20,836,176
Total non-current liabilities		<u>1,909,030</u>	<u>24,464,929</u>
TOTAL LIABILITIES		<u>29,230,396</u>	<u>26,185,455</u>
NET ASSETS		<u>14,550,628</u>	<u>11,086,012</u>
EQUITY			
Issued capital	7	10,410,279	10,410,279
Reserve		412,948	735,630
Retained earnings / (Accumulated losses)	8	3,783,022	(37,759)
Equity attributable to owners of the Company		14,606,249	11,108,150
Non-controlling interest		(55,621)	(22,138)
TOTAL EQUITY		<u>14,550,628</u>	<u>11,086,012</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Attributable to owners of the Company			Total \$	Non-controlling Interest \$	Total equity \$
	Issued Capital \$	(Accumulated Losses) / Retained Earnings \$	Translation Reserve \$			
Balance at 1 January 2016	10,410,279	(37,759)	735,630	11,108,150	(22,138)	11,086,012
Profit / (Loss) for the year	-	3,820,781	-	3,820,781	(32,689)	3,788,092
Other comprehensive income, net of tax	-	-	(322,682)	(322,682)	(794)	(323,476)
Total comprehensive income for the year	-	3,820,781	(322,682)	3,498,099	(33,483)	3,464,616
Balance at 31 December 2016	10,410,279	3,783,022	412,948	14,606,249	(55,621)	14,550,628

	Attributable to owners of the Company			Total \$	Non-controlling Interest \$	Total equity \$
	Issued Capital \$	Accumulated Losses \$	Translation Reserve \$			
Balance at 1 January 2015	5,132,475	(2,416,035)	589,497	3,305,937	-	3,305,937
Profit / (Loss) for the year	-	2,378,276	-	2,378,276	(22,154)	2,356,122
Other comprehensive income, net of tax	-	-	146,133	146,133	16	146,149
Total comprehensive income for the year	-	2,378,276	146,133	2,524,409	(22,138)	2,502,271
Issuance of shares	5,277,804	-	-	5,277,804	-	5,277,804
Balance at 31 December 2015	10,410,279	(37,759)	735,630	11,108,150	(22,138)	11,086,012

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

		Group	
	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		5,892,849	1,999,964
Adjustments to reconcile net profit to net cash (used in) / generated from operating activities:			
Depreciation and amortisation		2,147,231	383,635
Gain on disposal of financial assets at fair value through profit or loss		-	(507,694)
Net cash (outflows) / inflows from changes in working capital	9	<u>(9,256,458)</u>	<u>1,001,290</u>
NET CASH (OUTFLOWS) / INFLOWS FROM OPERATING ACTIVITIES		<u>(1,216,378)</u>	<u>2,877,195</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of plant and equipment		-	52,341
Proceeds from disposal of financial assets at fair value through profit or loss		-	1,121,827
Net cash acquired from acquisition of subsidiaries		-	871,070
Acquisition of plant and equipment		(427,596)	(77,377)
Payments for intangible assets		(1,089,357)	-
Development expenditure		<u>(2,528,308)</u>	<u>(235,268)</u>
NET CASH (OUTFLOWS) / INFLOWS FROM INVESTING ACTIVITIES		<u>(4,045,261)</u>	<u>1,732,593</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of advances to related parties		(891,957)	(90,464)
Proceeds from bank borrowings		<u>447,250</u>	<u>-</u>
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES		<u>(444,707)</u>	<u>(90,464)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(5,706,346)	4,519,324
Effect of exchange rate changes on cash and cash equivalents		(139,885)	136,157
Cash and cash equivalents at the beginning of financial year		6,883,196	2,227,715
CASH AND CASH EQUIVALENT AT THE END OF FINANCIAL YEAR		<u><u>1,036,965</u></u>	<u><u>6,883,196</u></u>
Analysis of cash and cash equivalents:			
Cash and bank balances		1,820,994	6,883,196
Bank overdraft		(784,029)	-
Cash and cash equivalents		<u><u>1,036,965</u></u>	<u><u>6,883,196</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: Basis of Preparation

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

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

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

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

NOTE 2: Compliance with AIFRS

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

NOTE 3: Details of Dividends or Distributions

No dividend was paid or proposed during the year.

NOTE 4: Details of Dividend/Distribution Reinvestment Plan

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

NOTE 5: Ratios

Earnings per share

	2016 cent	2015 cent
Basic earnings per share (cents per share)	5.0	4.0

Net tangible asset backing

	2016 cent	2015 cent
Net tangible asset backing per ordinary security (cents per security)	20.3	14.0

NOTE 6: Profit from Ordinary Activities

	Group	
	Year ended 31 December 2016 \$	Year ended 31 December 2015 \$
Employee benefits expenses:		
- Wages and salaries	2,497,853	1,061,471
- Defined contribution superannuation plan expenses	86,515	20,641
- Less: Labour cost allocated to projects and development	(925,792)	(132,947)
- Non-executive directors' remuneration	57,111	32,456
Total employee benefit expenses	<u>1,715,687</u>	<u>981,621</u>
Depreciation and amortisation of non-current assets:		
- Office furniture and equipment	382,789	207,891
- Leasehold improvements	360,778	170,220
- Intangible assets	1,403,664	5,524
Total depreciation and amortisation	<u>2,147,231</u>	<u>383,635</u>
Rental expense on operating lease	370,423	155,365
Auditor's remuneration for:		
- Audit and review of financial statements		
- auditor of the Group	37,500	29,499
- auditors of the subsidiaries	1,627	2,077
- auditor for other reporting purposes	7,105	42,092
Total auditors' remuneration	<u>46,232</u>	<u>73,668</u>

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NOTE 7: Issued Capital

(a) Share Capital

Group and Company

	31 December 2016		31 December 2015	
	Number of shares	\$	Number of shares	\$
Ordinary Shares fully paid	<u>79,301,852</u>	<u>10,410,279</u>	<u>79,301,852</u>	<u>10,410,279</u>

There is only one class of share on issue being ordinary fully paid shares. Holders of ordinary shares are treated equally in all respects regarding voting rights and with respect to the participation in dividends and in the distribution of surplus assets upon winding up. The fully paid ordinary shares have no par value.

(b) Options on issue

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

NOTE 8: Retained Earnings / (Accumulated Losses)

	Group	
	Year ended 31 December 2016 \$	Year ended 31 December 2015 \$
Balance at beginning of financial year	(37,759)	(2,416,035)
Net profit for the financial year	3,820,781	2,378,276
Balance at end of financial year	<u>3,783,022</u>	<u>(37,759)</u>

NOTE 9: Cash Flow Information

	Group	
	Year ended 31 December 2016 \$	Year ended 31 December 2015 \$
CASH FLOWS FROM CHANGES IN WORKING CAPITAL		
(Increase) / Decrease in assets:		
Trade and other receivables	(7,788,381)	817,801
Inventories	(1,209,655)	476,565
Other assets	(1,526,871)	(634,661)
Disposal of intangible assets	265,095	-
Increase / (Decrease) in liabilities:		
Trade and other liabilities	1,222,388	246,065
Trade deposits received	(221,191)	68,993
Provisions	2,157	26,527
NET CASH FLOWS FROM CHANGES IN WORKING CAPITAL	(9,256,458)	1,001,290

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

10.1 Name of entity (or group of entities) over which control was gained	Yamaga Audio Limited	Zamora Corporation Limited
10.2 Date control was gained	15 April 2016	15 April 2016
10.3 Consolidated loss from ordinary activities after tax of the controlled entity (or group of entities) for the current period from the date of gain of control	\$(34)	\$(5,486)
10.4 Name of entity (or group of entities) over which control was lost	Conco International Co., Ltd.	N/A
10.5 Date control was lost	22 March 2016	N/A
10.6 Consolidated loss from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$(93,223)	N/A

NOTE 11: Contingent payable liability

- (a) There are no material contingent liabilities or contingent assets of the Group at the end of the reporting period other than the contingent consideration payable for acquisition of Marvel Digital Limited (“MDL”) as disclosed below:

In accordance with the terms of MDL acquisition, the Company agreed to pay Marvel Finance Limited (“MFL”) a deferred performance fee calculated at five times of the average annualised consolidated profits of MDL for the two years’ period from the completion date less the initial purchase consideration. The Group has included approximately HK\$115,980,000, equivalent to \$21,396,339 as contingent consideration, as at 31 December 2015, which represents its fair value at the date of acquisition. The fair value of contingent consideration is based on an independent valuation which is determined by using the discounted cash flow method on the probability-weighted financial projection of MDL for the period from 1 October 2015 to 30 September 2017 and is under level 3 fair value adjustment.

The Company agreed to pay this deferred performance fee by cashier order or banker draft within two weeks upon the Company and MFL agreeing on the audited profits no later than four months after the second anniversary of the date of acquisition, i.e. 31 January 2018. At the date of approval of these consolidated financial statements, no further significant changes to the consideration are expected.

- (b) Reconciliation of contingent payable liability

	Group	
	2016	2015
	\$	\$
Balance brought forward	20,836,176	-
Contingent consideration on MDL		
Acquisition	-	21,396,339
Exchange difference	(88,141)	(560,163)
Total	<u>20,748,035</u>	<u>20,836,176</u>

COMMENTARY ON THE RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

General review

Integrated Media Technology Limited is a technology investment, product development and distribution company. Our businesses involves three distinct business units (i) owning and developing core technologies, (ii) commercializing these technologies into products or services and (iii) distribute and brand these products and services. Today, IMT is a technology driven company that focuses on technology innovation to drive the Company business.

Currently our primary focus is in the 3D autostereoscopic (glasses free) technology domain. Our principal activities are (i) research and development of 3D autostereoscopic (glasses free) technology, (ii) the development, sale and distribution of 3D autostereoscopic display, 3D video wall, 3D conversion equipment and software, provision of 3D consultancy services, sale of 3D technology solutions, and (iii) sale and distribution of audio products.

Our immediate goal is to be recognized as a leader in providing end-to-end solutions using the autostereoscopic display (“ASD”) technology. In the longer term, we will continue to focus on developing certain core technologies and to strategically position ourselves to be recognized as a leader in developing technology solutions and innovative products and services using our core technologies.

Financial review

The main revenue activities during the financial year were the sale of 3D technology solutions, sale and distribution of 3D autostereoscopic display, 3D video wall, 3D conversion equipment and software, and also the sale and distribution of audio products.

During the financial year, the Group has recorded revenue of \$14,318,089 (2015: \$7,306,699) and recorded profit for the year of \$3,788,092 (2015: profit of \$2,356,122). Revenue from operating activities was \$14,208,511 in 2016 as compared to the prior year of \$6,379,036. The significant increase in revenue was primarily due to the continuous business growth in MDL arising from the sale of 3D technology solutions, 3D autostereoscopic display, 3D conversion equipment and software during the year.

