Interim Report

For the Six Months Ended 30 June 2017

INTEGRATED MEDIA TECHNOLOGY LIMITED

(ACN 132 653 948)

Contents

Directors' Report

The directors present their report together with the financial statements on the consolidated entity (referred to hereinafter as the "Group") consisting of Integrated Media Technology Limited (referred to hereinafter as "IMT" or Company) and the entities it controlled for the six months ended 30 June 2017.

Directors

The names of the directors in office at any time during the period from 1 January 2017 to 30 June 2017, and up to the date of this report are:

Director	Position
Dr. Herbert Ying Chiu LEE	Chairman
Dr. Chang Yuen CHAN	Non-executive
Dr. Man Chung CHAN	Non-executive
Mr. Wilton Timothy Carr INGRAM	Non-executive
Mr. Con UNERKOV	Non-executive

Principal Activities

IMT is a media technology company. The business involves three distinct business units: (i) core technology development and acquisition, (ii) commercialising these technologies into products or services and (iii) distribution and branding of these products and services. Today, with the success of past two years' business strategy, the Group will continue to acquire technology that has synergy with existing core business. The strategy is to build a whole ecosystem of products and services that can bring great value to the Group. The plan for major revenue for the coming years will be (i) on sales of mature technology, product solutions and platforms, (ii) licensing of technology, (iii) technology consultation and development service, (iv) distribution and branding of products and services.

For the past two years, the Group's primary focus is in the 3D autostereoscopic display ("ASD") technology domain and with only a small activity in the audio business. ASD technology is commonly referred as glasses-free 3D technology where people can see 3D images in a display screen without the need to wear any special glasses. IMT believes that ASD technology will be deployed in most of the displays in the coming future. The Group will put most of its resources into the development of this business stream.

Review of Operations

General review

The Group's principal activities during the financial period were (i) research and development of ASD technology, (ii) the development, sale and distribution of 3D autostereoscopic display, 3D video wall, 3D conversion equipment and software, sale of 3D technology solutions, provision of 3D consultancy services and (iii) sale and distribution of audio products.

Due to the growth in the demand and applications for 3D autostereoscopic displays across multiple industries, the Group continues to expand the business in the ASD market by strategically owning and controlling the core technologies for (i) ASD video encoding/decoding, (ii) FPGA (field programmable gate array) boards and ASIC chips to be deployed in all our 3D autostereoscopic displays and computer workstations, (iii) 2D to 3D and multiview conversion and 2K to 4K and 4K to 8K conversion software, (iv) content distribution/management system ("CMS"), and (v) manage the manufacturing of 3D autostereoscopic displays.

The acquisition of Marvel Digital Limited ("MDL") in September 2015, has helped the Group's deployment of 3D advertising platform and has allowed the Group to use the core technologies of MDL to develop and customise products and solutions for its customers in new markets.

Directors' Report (Continued)

Review of Operations (Continued)

The Group's immediate goal is to be recognised as a leader in providing a technology ecosystem in the ASD domain. The product solutions range from commercial platforms to consumer electronics. Commercial platforms include digital signage and video wall with ASD functions and associated advertising and video conversion platforms. Consumer electronics products include ASD enabled smartphone and tablet and TV. The applications are endless for consumers to enjoy the exciting glasses-free 3D visual effect across multiple platforms.

In the longer term, the Group will acquire synergistic technologies to add or enhance our core technologies. The Group will also continue to refine its core technologies and combine with newly acquired ones to build an entire ecosystem of new products and services. IMT will be strategically positioned to be a leader in developing technology and innovative products and services in the media and imaging industries.

There were no significant changes to the Group's principal activities during the year not otherwise disclosed in the report.

Financial review

During the financial period under review, the Group has recorded revenue from operations of $4,287,458 (2016: $6,184,381) and recorded profit for the period of $1,300,896 (2016: $1,759,907). The decrease in revenue and net profit for the six months ended 30 June 2017 was primarily due to relatively less contracts concluded and completed in respect of the sales of software and technology solutions in the current period. As the Group continues to develop ASD related technology and product/service solutions, it is anticipated that more revenue will be derived from the sales of software and technology solutions in the near future.

Included in the Group's revenue, there was fair value gain as a result of the decrease in the contingent consideration liability of $1,572,974 recorded in profit or loss. In accordance with the terms of MDL acquisition, the Group 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 fair value of contingent consideration liability amounted to $17,780,717 as at 30 June 2017 which was based on the valuation determined by using the discounted cash flow method on the probability weighted financial projection of MDL for the two year period from 1 October 2015 to 30 September 2017. As MFL has agreed subsequently with the Company not to seek payment of the contingent consideration liability on 31 January 2018 until the earlier of the time the Company is in the position to repay the amount but no earlier than 31 July 2018, the liability was classified as non-current liabilities as at 30 June 2017. The directors will assess the cashflow requirements and position of the Group in coming quarters and commence discussion with MFL the earlier possible after 30 September 2017 to agree and confirm on the form of payment of this contingent consideration liability. MFL has confirmed to the Company that the payment of the contingent consideration liability can be in shares or cash or a combination of both.

As at 30 June 2017, the Group has net assets and net current assets of $14,928,147 and $7,625,896, respectively. Included in non-current assets, the Group has intangible assets and goodwill amounted to $23,221,595. According to the latest profit and cash flow forecast of the Group which was based on an estimate of business operational forecasts and market information available at the reporting date, the directors considered that there is no indication that the goodwill and intangible assets have suffered an impairment loss as at 30 June 2017.

Directors' Report (Continued)

Events Occurring After the Reporting Date

Dual listing on the Nasdaq Capital Market

The Company received an approval letter from The Nasdaq Stock Market LLC for IMT to list its ordinary shares on the Nasdaq Capital Market ("Nasdaq") under the symbol IMTE. The common stock of the Company commenced trading on the Nasdaq on the opening of trading on 3 August 2017.

Setting up of a new subsidiary

In July 2017, Marvel Digital Limited set up a new wholly-owned subsidiary - GOXD Technology Limited, incorporated in Hong Kong, for carrying out business activities on sales and distribution of 2D/3D glasses-free 4K digital photo frames to corporate customers and household consumers. In addition, a cloud platform with smart 2D to 3D photo conversion services, professional photographer contributed photo eShop, operating mobile APP and user upload photo storage have also been developed to form a complete digital photo frame ecosystem.

There has been no other subsequent events.

Future Developments

In the past two years, the Group has continued to develop its business in digital media and advertising platform based on ASD technology. The acquisition of MDL has laid the foundation for providing core technologies to enable the Group to expand its business scope in digital media and advertising.

Currently, MDL is considered as one of the leading companies in ASD technology. MDL's main business focus in the coming years is to continue to develop state-of-the-art digital media related products and solutions using its core technologies for both consumer and commercial markets. Its market strategy is to sell its developed products and solutions to product marketing companies or joint venture with them. This will keep its sales and marketing operation to a minimum and allow the Group to focus on its core business which is on product and solution development. The Company expects MDL's core technologies will transform the Group to be a leader in ASD technology and solution provider.

In the coming years, the Group will focus its development in the following areas:

1) It will continue to work as an advisor to Guangzhou Marvel Digital Technology Ltd., a related party, on the development of the China National 3D Standard for the Chinese Government.
2) It will continue to develop the glasses-free 3D advertising networks in China through distributors and joint venture partners.
3) It has been selling the state-of-the-art 2D/3D and 2K/4K super-workstation since 2015. It is now developing an advance version of super-workstation so that both the image quality and processing speed can be further enhanced.
4) It has developed recently an ASIC chip with ASD functions to provide a very cost effective solution to all ASD products. It plans to build a dedicated ASIC design team to expand its R&D capability, including the design of the future chip set for incorporating the China National 3D Standard functions. It will have a major impact in the television industry in China and will have captured a market share in the TV industry. When the ASIC project is completed, it will bring MDL and the Group into a new business dimension.
5) It has started a development project in virtual reality (VR) technology to meet the growing demand in VR products.

Directors' Report (Continued)

Future Developments (Continued)

IMT expects to continue the growth in revenue upon execution of the above business plans. When more new technology has been developed, the future revenue stream may have increased contribution from the sale of mature technology and product solutions. In the past year, IMT concentrated on B2B business. Start from the middle of this year, IMT has started to conduct B2C business through a new business unit, GOXD Technology Limited ("GOXD"). GOXD will be the brand for all consumer products developed, marketed and sold by the Group under this business unit. GOXD expects to bring in significant revenue to the Group by end of 2018.

IMT will also position itself as a technology investment company focusing on the acquisition of technology related companies or projects which can meet at least one the following criteria:
- The target company owns related core technology that has impact on current market when the technology is developed into marketable products or services.
- The target company excels in marketing similar technology products and services, and has already a proven track record.
- The target company holds related intellectual properties which are undervalued.
- The target company has a team of experts and professionals in related technology domain and has a successful track record in providing professional service to its clients.
- The project has synergy with IMT business and can create a stable income.

The strategy is to acquire more new technology that has synergy with the existing ones. The goal is to own and expand the ASD technology ecosystem which IMT is building. This can enable IMT to have significant influence in the ASD market. The future business plans depend on adequate capital being available to the Group. The Group will be reviewing potential acquisitions that can add value to the Group. The future development is dependent on the ability to have sufficient resources in funding, technology and human capital to execute the business plans. Management will also seek synergistic acquisitions and bring in resources to complement and to supplement the Group's internal capabilities to become a well-managed and fast-growing technology company.

Auditor's Independence Declaration

The Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 5 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(c) of the Corporations Act.

On behalf of the Directors,

/S/ Herbert Ying Chiu LEE

Dr. Herbert Ying Chiu LEE
Director

31 August 2017

StewartBrown
Audit Services Pty Limited
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INTEGRATED MEDIA TECHNOLOGY LMITED
ACN 132 653 948

INTERIM FINANCIAL REPORT - 30 JUNE 2017

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INTEGRATED MEDIA TECHNOLOGY LMITED

I declare that, to the best of my knowledge and belief, during the six-month period ended 30 June 2017 there has been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review engagement; and

(b) no contraventions of any applicable code of professional conduct in relation to the review engagement.

StewartBrown

StewartBrown
Chartered Accountants

S.J. Hutcheon
Partner

31 August 2017

Financial Report

The financial report covers Integrated Media Technology Limited ("IMT") as a consolidated entity consisting of Integrated Media Technology Limited and the entities it controlled. The financial report is presented in Australian dollars which is IMT's functional currency.

The financial report consists of the consolidated financial statements, notes to the consolidated financial statements and the directors' declaration.

Integrated Media Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia, its registered office and the principal place of business are:

Registered Office and Principal Place of Business

Level 7, 420 King William Street
Adelaide SA 5000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors on 31 August 2017.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 June 2017

	Notes	Group 30 June 2017 $	Group 30 June 2016 $
REVENUE			
Revenue from operating activities	4	4,287,458	6,184,381
Interest income		1,155	121
		4,288,613	6,184,502
Fair value change in contingent consideration liability	22	1,572,974	-
Other income	5	212,891	32,211
		6,074,478	6,216,713
EXPENSES			
Cost of sales		(1,507,471)	(926,343)
Employee benefit expenses		(987,413)	(815,896)
Depreciation and amortisation expenses		(1,088,212)	(1,108,030)
Professional and consulting expenses		(82,711)	(80,275)
Travel and accommodation expenses		(201,110)	(199,978)
Other expenses		(761,666)	(705,330)
Finance costs	6	(71,747)	(36,273)
Loss on disposal of a subsidiary		-	(872)
Total expenses		(4,700,330)	(3,872,997)
PROFIT BEFORE INCOME TAX		1,374,148	2,343,716
Income tax expenses	7	(73,252)	(583,809)
PROFIT FOR THE PERIOD		1,300,896	1,759,907
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(727,731)	(529,107)
Other comprehensive loss for the period, net of tax		(727,731)	(529,107)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		573,165	1,230,800
Profit/(Loss) for the period attributable to:			
Owners of the Company		1,300,789	1,783,699
Non-controlling interests		107	(23,792)
		1,300,896	1,759,907
Total comprehensive income for the period attributable to:			
Owners of the Company		569,252	1,253,539
Non-controlling interests		3,913	(22,739)
		573,165	1,230,800
Earnings per share (post-reverse split)			
- Basic and diluted	9	0.49	0.67

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position
As at 30 June 2017

	Notes	Group 30 June 2017 $	31 December 2016 $
ASSETS			
CURRENT ASSETS			
Cash and bank balances		2,387,969	1,820,994
Inventories	10	2,292,098	1,857,051
Trade and other receivables	11	8,292,580	8,800,741
Other assets	12	1,249,334	2,253,915
Total current assets		14,221,981	14,732,701
NON-CURRENT ASSETS			
Plant and equipment	13	816,649	1,065,635
Intangible assets and goodwill	14	23,221,595	24,803,096
Development projects	15	2,918,148	2,880,005
Total non-current assets		26,956,392	28,748,736
TOTAL ASSETS		41,178,373	43,481,437
LIABILITIES			
CURRENT LIABILITIES			
Trade and other liabilities	16	898,701	1,654,843
Trade deposits received		10,356	99,866
Amount due to ultimate holding company	17	3,062,868	2,382,707
Provisions		32,214	31,331
Income tax payable		1,074,531	1,069,364
Borrowings	18	1,501,910	1,231,279
Obligation under finance lease	19	15,505	-
Total current liabilities		6,596,085	6,469,390
NON-CURRENT LIABILITIES			
Obligation under finance lease	19	60,753	-
Deferred tax liabilities	7	1,812,671	1,909,030
Contingent consideration liability	22	17,780,717	20,748,035
Total non-current liabilities		19,654,141	22,657,065
TOTAL LIABILITIES		26,250,226	29,126,455
NET ASSETS		14,928,147	14,354,982
EQUITY			
Issued capital	20	10,410,279	10,410,279
Foreign currency translation reserve	27	(321,211)	410,326
Retained earnings		4,890,787	3,589,998
Equity attributable to owners of the Company		14,979,855	14,410,603
Non-controlling interest		(51,708)	(55,621)
TOTAL EQUITY		14,928,147	14,354,982

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2017

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
GROUP	Issued Capital	Retained Earnings / (Accumulated Losses)	Foreign Currency Translation Reserve	Total		
	$	$	$	$	$	$
Balance at 1 January 2016	10,410,279	(37,759)	735,630	11,108,150	(22,138)	11,086,012
Profit for the period	-	1,783,699	-	1,783,699	(23,792)	1,759,907
Other comprehensive income / (loss), net of tax	-	-	(530,160)	(530,160)	1,053	(529,107)
Total comprehensive income / (loss) for the period	-	1,783,699	(530,160)	1,253,539	(22,739)	1,230,800
Balance at 30 June 2016	10,410,279	1,745,940	205,470	12,361,689	(44,877)	12,316,812
Balance at 1 January 2017	10,410,279	3,589,998	410,326	14,410,603	(55,621)	14,354,982
Profit for the period	-	1,300,789	-	1,300,789	107	1,300,896
Other comprehensive income / (loss), net of tax	-	-	(731,537)	(731,537)	3,806	(727,731)
Total comprehensive income / (loss) for the period		1,300,789	(731,537)	569,252	3,913	573,165
Balance at 30 June 2017	10,410,279	4,890,787	(321,211)	14,979,855	(51,708)	14,928,147

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the six months ended 30 June 2017

	Notes	Group 30 June 2017 $	30 June 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		1,374,148	2,343,716
Adjustments to reconcile net profit to net cash generated from / (used in) operating activities:			
Depreciation		1,088,212	1,108,030
Fair value change in contingent consideration liability		(1,572,974)	-
Net cash flows from changes in working capital	25	(243,732)	(4,559,240)
NET CASH INFLOWS / (OUTFLOWS) FROM OPERATING ACTIVITIES		645,654	(1,107,494)
CASH FLOWS FROM INVESTING ACTIVITIES			
Development expenditure		(1,037,580)	(941,829)
Payments for intangible assets		(923)	(23,340)
Payments for plant and equipment		(33,845)	(144,480)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(1,072,348)	(1,109,649)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds / (Repayment) of advances from / (to) related parties		857,682	(283,643)
Proceeds from bank borrowings		416,625	-
NET CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES		1,274,307	(283,643)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		847,613	(2,500,786)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		1,036,965	6,883,196
Effect of exchange rate changes on cash and cash equivalents		(165,269)	(504,990)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,719,309	3,877,420

Analysis of cash and cash equivalents:

	Notes	30 June 2017 $	30 June 2016 $
Cash and bank balances		2,387,969	3,877,420
Bank overdraft	18	(668,660)	-
Cash and cash equivalents		1,719,309	3,877,420

The accompanying notes form part of these consolidated financial statements.

1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATD FINANCIAL STATEMENTS

The consolidated financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Act 2001.

The consolidated financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the financial year ended 31 December 2016 and any public announcements made by Integrated Media Technology Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated financial statements have been prepared on the accrual basis and are based on historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the group. The Group's assessment of the financial impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments: Classification and Measurement

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until financial years commencing on or after 1 January 2018 but is available for early adoption. The Group has not yet assessed the potential financial impact of this change, but is not anticipating a material impact on the financial statements given the nature of the financial assets and liabilities held by the Group. An anticipated date of adoption has not yet been agreed by the Board.

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. AASB 15 supersedes:

(a) AASB 111 Construction Contracts;
(b) AASB 118 Revenue;
(c) Interpretation 13 Customer Loyalty Programmes;
(d) Interpretation 15 Agreements for the Construction of Real Estate;
(e) Interpretation 18 Transfers of Assets from Customers;
(f) Interpretation 131 Revenue - Barter Transactions Involving Advertising Services; and
(g) Interpretation 1042 Subscriber acquisition costs in the Telecommunications Industry.

1. BASIS OF PREPARATION OF CONDENSED CONSOLIDATD FINANCIAL STATEMENTS (Continued)

New, revised or amending Accounting Standards and Interpretations adopted (continued)

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is largely in line with the current accounting policies adopted for recognition of revenue.

The standard is not applicable until financial years commencing on or after 1 January 2018 but is available for early adoption. The Group has an IFRS project underway and continues to evaluate the effect of the new standard including the financial impact and related disclosures. The Group will conduct a complete impact assessment during the 2017 financial year. The impact will be quantified when the assessment has been completed. As a result of the complete assessment, the result and impact on revenue if any, will invariably impact the transition method adopted. The Group is expecting to adopt the new standard from the 2018 financial year.

(iii) AASB 16 Leases

AASB 16 Leases addresses the recognition and measurement of assets and liabilities for all leases with a term of more than 12 months, unless they are of low value. It also contains the disclosure requirements for lessees and lessors. AASB 16 supersedes:

(a) AASB 117 Leases;
(b) Interpretation 4 Determining whether an Arrangement contains Lease;
(c) SIC-15 Operating Leases - Incentives; and
(d) SEC - 27 Evaluating the Substance of Transactions involving the Legal Form of a Lease.

The standard is not applicable until financial years commencing on or after 1 January 2019 but is available for early adoption provided the new revenue standard. The Group has not yet assessed the potential financial impact of this change, but expects it will not have a material impact on the Group's financial statements. An anticipated date of adoption has not yet been agreed by the Board. The standard will require lessees to recognise assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms greater than twelve months.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Business Combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred, except if related to the issue of debt or equity securities.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business Combination (continued)

The Company recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

(b) Income Tax

The charge for current income tax is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Current and deferred tax balances relating to amounts recognised directly in other comprehensive income and equity are recognised directly in other comprehensive income or equity, respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be used.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Intangible Assets

(i) Acquired both separately and from a business combination

Purchased intangible assets are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

(ii) Autostereoscopic 3D display technologies and knowhow

The autostereoscopic 3D display technologies and knowhow acquired in the business combination is measured at fair value as at the date of acquisition. These costs are amortised over the estimated useful life of 8 years and are tested for impairment where an indicator of impairment exists. The useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Refer to Note 14 for impairment review of these autostereoscopic 3D display technologies and knowhow.

(iii) Research and development costs

An intangible asset arising from development expenditure on an internal technology project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset or technology so that it will be available for application in existing or new products or for sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development, the ability to measure reliably the expenditure attributable to the intangible asset during its development and the ability to use the tangible asset generated. For labour costs, all research and development member salaries that are directly attributable to the technology project are capitalised. Administrative staff and costs are recognised in the statement of profit or loss and comprehensive income instead of capitalising this portion of costs. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated impairment losses. The amortisation rate of these intangible assets was determined on the basis of the estimated useful life from the time that the relevant asset is taken into use.

(iv) Intellectual property

Expenditure incurred on patents, trademarks or licenses are capitalised from the date of application. They have a definite useful life and are carried at cost less accumulated amortisation. They are amortised, using the straight line method over their estimated useful lives for a period of 8 to 15 years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Intangible Assets (continued)

(v) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (2-5 years). Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

(d) Foreign Currency Translation

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Amount receivable and payable in foreign currencies at the end of the reporting period are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short term assets and liabilities, whether realised or unrealised, are included in profit or loss as they arise.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the end of the reporting period. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve.

The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

3. OPERATING SEGMENTS

Operating segments have been determined on the basis of reports reviewed by the executive director. The executive director is considered to be the chief operating decision maker of the Group. The executive director considers that the Group has assessed and allocated resources on this basis. The executive director considers that the Group has four operating segments for the period ended 30 June 2017 (2016: four), being (1) the development, sale and distribution of autostereoscopic 3D displays, conversion equipment, software and provision of technology solutions, (2) sale and distribution of audio products, (3) provision of consultancy services, and (4) corporate.

The executive director reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the executive director are consistent with those adopted in the consolidated financial statements.

The information reported to the executive director is on at least a monthly basis.

Intersegment transaction
There are no intersegment transactions. There are no intersegment sales, receivables, payables and loans.

Operating segment information

	Development sales and Distribution (Refer Note 1)	Sales and distribution of audio products	Consultancy services	Corporate	Total
Consolidated - 2017	$	$	$	$	$
For the six months ended 30 June 2017					
Revenue					
Sales to external customers	4,247,174	40,284	-	-	4,287,458
Intersegment sales	-	-	-	-	-
Total sales revenue	4,247,174	-	-	-	4,287,458
Other revenue	214,018	-	-	1,573,002	1,787,020
Total revenue	4,461,192	40,284	-	1,573,002	6,074,478
EBITDA	1,232,729	(6,652)	(125,662)	1,360,790	2,461,205
Depreciation & amortization					(1,088,212)
Interest income					1,155
Profit before income tax					1,374,148
Income tax					(73,252)
Profit after income tax					1,300,896
As at 30 June 2017					
Assets					
Segment assets	21,774,524	85,487	91,749	19,226,613	41,178,373
Liabilities					
Segment liabilities	6,884,391	74,575	305,618	18,985,642	26,250,226

Note 1: Development, sale and distribution of 3D displays, conversion equipment, software and provision of technology solutions

3. OPERATING SEGMENTS (Continued)

Operating segment information (continued)

	Development sales and Distribution (Refer Note 1)	Sales and distribution of audio products	Consultancy services	Corporate	Total
Consolidated - 2016	$	$	$	$	$
For the six months ended 30 June 2016					
Revenue					
Sales to external customers	6,091,221	93,160	-	-	6,184,381
Intersegment sales	-	-	-	-	-
Total sales revenue	6,091,221	93,160	-	-	6,184,381
Other revenue	32,160	63	5	104	32,332
Total revenue	6,123,381	93,223	5	104	6,216,713
EBITDA	4,113,177	(127,012)	(444,576)	(89,964)	3,451,625
Depreciation & amortization					(1,108,030)
Interest income					121
Profit before income tax					2,343,716
Income tax					(583,809)
Profit after income tax					1,759,907
As at 30 June 2016					
Assets					
Segment assets	23,276,578	20,643	463,417	13,905,867	37,666,505
Liabilities					
Segment liabilities	5,188,376	20,907	29,660	20,110,750	25,349,693

Note 1: Development, sale and distribution of 3D displays, conversion equipment, software and provision of technology solutions

4. REVENUE

	Group 30 June 2017 $	30 June 2016 $
Development, sales and distribution of 3D autostereoscopic products and conversion equipment	2,938,080	2,345,787
Sales of software and technology solutions	1,179,460	3,745,434
Sales and distribution of audio products	40,284	93,160
Consultancy and other services income	129,634	-
	4,287,458	6,184,381

5. OTHER INCOME

	Group 30 June 2017 $	30 June 2016 $
Government grant	203,234	26,256
Sundry income	9,657	5,955
	212,891	32,211

6. FINANCE COSTS

	Group 30 June 2017 $	30 June 2016 $
Bank overdraft and borrowing interest	20,780	-
Interest on finance lease liability	2,007	-
Interest charged by the ultimate holding company	48,960	36,273
	71,747	36,273

7. INCOME TAX EXPENSES

	Group 30 June 2017 $	30 June 2016 $
Current tax expense	50,198	140,664
Deferred tax expense	23,054	443,145
Income tax expenses	73,252	583,809

(a) The prima-facie tax on profit before income tax is reconciled to the income tax expenses as follows:

	30 June 2017 $	30 June 2016 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	1,374,148	2,343,716
Income tax expense on profit before income tax at 30%	(412,244)	(703,115)
Difference in overseas tax rates	(7,223)	324,222
Add / (less) the tax effect of:		
Recognition of tax effect of previously unrecognised tax losses and temporary differences	-	(124,768)
Tax losses and temporary differences for the period for which no deferred tax is recognised	358,254	-
Utilisation of tax losses during the period	(12,039)	(80,148)
Income tax expenses	(73,252)	(583,809)

7. INCOME TAX EXPENSES (Continued)

(b) Deferred tax assets / (liabilities) arising from temporary differences and unused tax losses can be summarised as follows:

	30 June 2017 $	31 December 2016 $
Balance brought forward	(1,909,030)	(933,853)
Accelerated depreciation allowances	(11,015)	(501,510)
Temporary differences on disposed intangible assets	-	35,808
Future benefit of tax losses	(12,039)	(500,971)
Exchange rate difference	119,413	(8,504)
Total	(1,812,671)	(1,909,030)

8. DIVIDENDS

No dividends were declared and paid during the six months ended 30 June 2017 (2016: Nil).

9. EARNINGS PER SHARE

The earnings per share was calculated based on the weighted average of 2,643,611 (2016: 2,643,611) shares outstanding (post-reverse split) during the financial period.

10. INVENTORIES

Inventories consist of the following:

	Group	
	30 June 2017 $	31 December 2016 $
Raw materials	1,245,687	948,491
Finished goods – displays and other products	1,131,150	996,746
Provision for inventories obsolescence	(84,739)	(88,186)
Total, net of allowance for inventories	2,292,098	1,857,051

11. TRADE AND OTHER RECEIVABLES

	Group	
	30 June 2017 $	31 December 2016 $
Trade receivables	7,862,117	8,612,576
Other receivables	138,423	5,787
Amounts due from related parties	292,040	182,378
	8,292,580	8,800,741

12. OTHER ASSETS

	Group 30 June 2017 $	Group 31 December 2016 $
Prepayments	43,308	280,325
Trade deposits	935,191	1,819,648
Other deposits	260,628	151,869
GST receivable	10,207	2,073
	1,249,334	2,253,915

13. PLANT AND EQUIPMENT

	Leasehold Improvement $	Office Furniture and Equipment $	Motor Vehicle $	Total $
At 31 December 2016				
Cost	1,239,520	2,003,660	-	3,243,180
Accumulated depreciation	(778,367)	(1,399,178)	-	(2,177,545)
Net book amount	461,153	604,482	-	1,065,635
Six months ended 30 June 2017				
Opening net book amount	461,153	604,482	-	1,065,635
Additions	8,219	18,055	85,129	111,403
Depreciation expense	(189,274)	(107,076)	(2,838)	(299,188)
Exchange difference	(29,117)	(30,704)	(1,380)	(61,201)
Closing net book amount	250,981	484,757	80,911	816,649
At 30 June 2017				
Cost	1,166,165	1,900,725	83,701	3,150,591
Accumulated depreciation	(915,184)	(1,415,968)	(2,790)	(2,333,942)
Net book amount	250,981	484,757	80,911	816,649

The Group leases a motor vehicle under non-cancellable finance lease agreement. The lease term is 5 years, and ownership of the asset lies within the group.

14. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Autostereo-scopic 3D Display Technologies and Knowhow	Patents and Trademark	Software and Licence	Total
	$	$	$	$	$
At 31 December 2016					
Cost	14,256,751	10,893,981	1,055,174	34,385	26,240,291
Accumulated amortisation	-	(1,382,255)	(33,052)	(21,888)	(1,437,195)
At 31 December 2016	14,256,751	9,511,726	1,022,122	12,497	24,803,096
Six months ended 30 June 2017					
Opening net book amount	14,256,751	9,511,726	1,022,122	12,497	24,803,096
Additions	-	-	923	-	923
Reclassification	-	807,642	-	-	807,642
Amortisation expense	-	(703,473)	(78,266)	(7,285)	(789,024)
Exchange difference	(975,576)	(624,236)	(3,890)	2,660	(1,601,042)
Closing net book amount	13,281,175	8,991,659	940,889	7,872	23,221,595
At 30 June 2017					
Cost	13,281,175	10,943,027	1,013,176	32,827	25,270,205
Accumulated amortisation	-	(1,951,368)	(72,287)	(24,955)	(2,048,610)
Net book amount	13,281,175	8,991,659	940,889	7,872	23,221,595

The technology and software applied to develop the autostereoscopic 3D display technologies was included with the acquisition of Marvel Digital Limited on 30 September 2015 and was revalued to fair value at that time by an independent valuer.

For the above goodwill and autostereoscopic 3D display technologies and knowhow at the reporting period end, the management has considered the recoverable amount of the corresponding cash generating unit which has been determined by a value-in-use calculation. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates, expected changes in gross margin of the products and services. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the cash generating unit. The growth rates are based on industry growth forecasts. Changes in gross margin are based on past practices and expectations of future changes in the market. The Group performed impairment review for the goodwill, based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows for the following five years as approved by management and using a discount rate of 18% (2015: 18%). The cash flows beyond the five-year period are extrapolated using a 3% (2015: 3%) growth rate. The management considered that there is no indication that the goodwill and intangible assets have suffered an impairment loss.

15. DEVELOPMENT PROJECTS

	$
At 31 December 2016	
Cost	2,880,005
Accumulated impairment losses	-
At 31 December 2016	2,880,005
Six months ended 30 June 2017	
Opening net book amount	2,880,005
Additions	1,086,066
Reclassification	(807,642)
Disposal	(68,360)
Exchange difference	(171,921)
Closing net book amount	2,918,148
At 30 June 2017	
Cost	2,918,148
Accumulated impairment losses	-
Net book amount	2,918,148

Development projects represent the development costs directly attributable to and incurred for several internal technology projects of the Group which are in cooperation with the universities and professional technology institutions in Hong Kong for developing innovative technology to be applied in the existing and new 3D related products of the Group. Cost model is applied for development projects which require these assets to be carried at cost less any accumulated impairment losses.

16. TRADE AND OTHER LIABILITIES

	Group	
	30 June 2017 $	31 December 2016 $
Trade payables	134,214	799,522
Accruals	132,901	380,594
Value added tax payables	405,557	313,326
Deferred revenue	155,088	161,401
Others	70,941	-
	898,701	1,654,843

17. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount due to the ultimate holding company – Marvel Finance Limited ("MFL") is unsecured, and carries interest at an annual interest rate of 2.5% over the one month Hong Kong Interbank Offer Rate ("HIBOR") and repayable on demand.

18. BORROWINGS

	Group	
	30 June 2017 $	31 December 2016 $
Bank overdraft, unsecured	668,660	784,029
Bank borrowings, unsecured	833,250	447,250
	1,501,910	1,231,279

Bank overdraft and borrowings carry interest at an annual interest rate of 2.5% over the one month HIBOR.

As at 30 June 2017, the Group had total banking facilities of $1,666,500 of which $1,501,910 were utilised.

The unsecured bank overdraft and bank borrowings are guaranteed by our director, Dr. Herbert Ying Chiu LEE.

19. OBLIGATION UNDER FINANCE LEASE

At 30 June 2017, the Group's finance lease liability was repayable as follows:

	Group	
	30 June 2017 $	31 December 2016 $
Within one year	15,505	-
Two to five years	60,753	-
	76,258	-
Less: Amount due within one year shown under current liabilities	(15,505)	-
Amount due after one year	60,753	-
Gross finance lease liability – minimum lease payments		
No later than 1 year	18,834	-
Later than 1 year and no later than 5 years	65,920	-
	84,754	-
Future finance charges on finance leases	(8,496)	-
Present value of finance lease liability	76,258	-

Obligation under finance lease carry interest rates of 2.5% per annum.

20. ISSUED CAPITAL

(a) Share capital

Group

	30 June 2017		31 December 2016	
	Number of shares	$	Number of shares	$
Ordinary Shares fully paid	2,643,611	10,410,279	79,301,852	10,410,279

(b) Movements in share capital

	Number of Shares	$
31 December 2016 & 1 January 2017	79,301,852	10,410,279
1-for-30 reverse split of our fully paid ordinary shares	(76,658,241)	-
30 June 2017	2,643,611	10,410,279

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

On 2 May 2017, the Company effected a 1-for-30 reverse split of the ordinary shares, which was approved at a special meeting of the shareholders on 2 March 2017. The purpose of the reverse stock split was to enable the Company to meet the Nasdaq's minimum share price requirement. The reverse stock split became effective on 8 May 2017 and every thirty shares of our issued and outstanding ordinary shares was automatically combined into one issued and outstanding share of ordinary share. This reduced the number of outstanding shares from 79,301,852 shares to 2,643,611 after adjusting for fractional shares.

(c) Options on issue

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

21. COMMITMENTS

(a) Non-cancellable operating leases

The Group has entered into commercial leases for rental accommodation and certain items of plant and equipment.

	Group	
	30 June 2017 $	31 December 2016 $
Committed at the reporting date but not recognised as liabilities, which are payable:		
- Within one year	306,672	263,043
- Two to five years	429,544	149,813
- More than five years	-	-
	736,216	412,856

(b) Contractual commitments

As at 30 June 2017, the Group had contractual commitments for certain development projects of approximately $1,804,000 which are payable within one year.

(c) Capital commitments

As at 30 June 2017, the Group had internal capital commitments for the investments in two PRC subsidiaries of RMB25,638,000 (approximately $4,920,000).

22. CONTINGENT CONSIDERATION 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 liability 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 $20,748,045 as contingent consideration liability, as at 31 December 2016.

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. MFL has agreed subsequently with the Company not to seek payment of the contingent consideration liability on 31 January 2018 until the earlier of the time the Company is in the position to repay the amount but no earlier than 31 July 2018. The unpaid amount of the contingent consideration liability that due will carry interest at an interest rate of 2.5% per annum over one month Hong Kong Interbank Offer Rate starting from 1 February 2018. MFL also confirmed that the payment of the contingent consideration liability can be in shares or cash or a combination of both.

22. CONTINGENT CONSIDERATION LIABILITY (Continued)

(b) Reconciliation of contingent consideration liability

	Group	
	30 June 2017 $	31 December 2016 $
Balance brought forward	20,748,035	20,836,176
Fair value change in contingent consideration liability	(1,572,974)	-
Exchange difference	(1,394,344)	(88,141)
Total	17,780,717	20,748,035

23. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		30 June 2017	31 December 2016
Parent Entity:			
Integrated Media Technology Limited	Australia		
Subsidiaries of Integrated Media Technology Limited:			
CIMC Marketing Pty. Limited	Australia	100%	100%
Yamaga Limited	Hong Kong	100%	100%
Dragon Creative Limited	Hong Kong	100%	100%
Binario Limited	British Virgin Islands	100%	100%
Yamaga Audio Limited	United States of America	100%	-
Zamora Corporation Limited	United States of America	100%	-
Digital Media Technology Limited	Malaysia	100% (indirect)	100% (indirect)
Marvel Digital Limited	Hong Kong	100% (indirect)	100% (indirect)
Visumotion International Limited	Hong Kong	100% (indirect)	100% (indirect)
Marvel Digital (Shenzhen) Limited	P.R.C.	100% (indirect)	100% (indirect)
Marvel Software (Shenzhen) Limited	P.R.C.	100% (indirect)	100% (indirect)
Global Vantage Audio Limited	Hong Kong	50% (indirect)	50% (indirect)

24. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

(a) Transactions with key management personnel

The total remuneration paid or payable to the directors and senior management of the Group during the period are as follows:

	Group	
	For the six months ended 30 June 2017 $	For the six months ended 30 June 2016 $
Short term benefits	247,574	14,000
Post-employment benefits	4,577	-
Total	252,151	14,000

(b) Other related party transactions

During the period, the Group has the following material transactions with its related parties:

	For the six months ended 30 June 2017	For the six months ended 30 June 2016
Sales of products to related parties [1]	1,777,410	359,207
Service fees received from a related party [1]	7,689	42,010
Service fees paid to a related party [1]	-	3,676
Purchases of products from a related party [1]	6,572	-
Finance costs charged by the ultimate holding company	48,960	36,273
Company secretarial fees paid to a related company[2]	5,250	2,500

1. Dr. Herbert Ying Chiu LEE, has control over the above related parties
2. Mr. Con UNERKOV, is a common director of this related company.

During the period, the Group incurred expenditure of $15,000 (2016: $17,985) (excluding GST) to BDO Administration (SA) Pty Ltd in respect to company secretarial and taxation services. George Yatzis, Company Secretary of IMT is a director of BDO Administration (SA) Pty Ltd.

During the period, the unsecured bank overdraft and bank borrowings are personally guaranteed by our director, Dr. Herbert Ying Chiu LEE. No charge has been requested for this guarantee.

24. RELATED PARTY TRANSACTIONS (Continued)

(c) Amounts due from/ to related parties

Included in trade and other receivables in Note 11, there were amounts of $1,461,438 and $292,040 (31 December 2016: $1,000,139 and $182,378) in respect to trade and non-trade in nature respectively and were due from certain related companies in which Dr. Herbert Ying Chiu LEE has control. The amounts due from the related companies are unsecured, non-interest bearing and repayable on demand.

Included in trade and other liabilities in Note 16, there was an amount of $7,677 (31 December 2016: $Nil) in trade nature and was due to a related company in which our director, Dr. Herbert Ying Chiu LEE has control. The amount due to the related company is unsecured, non-interest bearing and repayable on demand.

As disclosed in Note 17, there was an amount of $3,062,868 (31 December 2016: $2,382,707) due to ultimate holding company, Marvel Finance Limited.

As at 30 June 2017, the Group had outstanding invoices owing to BDO Administration (SA) Pty Ltd totaling $Nil (31 December 2016: $5,000). George Yatzis, Company Secretary of IMT is a director of BDO Administration (SA) Pty Ltd.

25. CASH FLOW INFORMATION

	Group	
	Period ended 30 June 2017 $	Period ended 30 June 2016 $
CASH FLOWS FROM CHANGES IN WORKING CAPITAL		
(Increase) / Decrease in assets:		
Other assets	836,095	(1,175,826)
Inventories	(518,724)	(701,110)
Trade and other receivables	136,859	(2,571,954)
Development projects	68,360	-
Increase / (Decrease) in liabilities:		
Trade and other liabilities	(685,321)	141,836
Provision for annual leave	3,080	(5,995)
Trade deposits received	(84,081)	(246,191)
NET CASH FLOWS FROM CHANGES IN WORKING CAPITAL	(243,732)	(4,559,240)

26. FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to Australian dollars.

27. COMPARATIVE FIGURES

Certain comparative figures have been changed to conform to current period's presentation.

28. EVENTS OCCURRING AFTER THE REPORTING DATE

Save as disclosed below, there is no other matter or circumstance arisen since 30 June 2017, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent period.

(i) Dual listing on the Nasdaq Capital Market

The Company received an approval letter from The Nasdaq Stock Market LLC for IMT to list its ordinary shares on the Nasdaq Capital Market under the symbol IMTE. The common stock of the Company commenced trading on the Nasdaq on the opening of trading on 3 August 2017.

(ii) Setting up of a new subsidiary

In July 2017, Marvel Digital Limited set up a new wholly-owned subsidiary - GOXD Technology Limited, incorporated in Hong Kong, for carrying out business activities on sales and distribution of 2D/3D glasses-free 4K digital photo frames to corporate customers and household consumers. In addition, a cloud platform with smart 2D to 3D photo conversion services, professional photographer contributed photo eShop, operating mobile APP and user upload photo storage have also been developed to form a complete digital photo frame ecosystem.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes, as set out on pages 7 to 29, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the six months ended 30 June 2017; and

  (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(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.

/S/ Herbert Ying Chiu LEE

Dr. Herbert Ying Chiu LEE
Director

31 August 2017

StewartBrown
Audit Services Pty Limited
CHARTERED ACCOUNTANTS

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INTEGRATED MEDIA TECHNOLOGY LIMITED
ACN 132 653 948
INTERIM FINANCIAL REPORT - 30 JUNE 2017

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE DIRECTORS OF
INTEGRATED MEDIA TECHNOLOGY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying interim financial report of Integrated Media Technology Limited and controlled entities which comprises the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of the group are responsible for the preparation and fair presentation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The directors' responsibility also includes such internal controls as the directors determine is necessary to enable the preparation of an interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We have conducted our review in accordance with Australian 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 interim financial report is not in accordance with the C*orporations Act 2001* including: giving a true and fair of the group's financial position as at 30 June 2017 and its performance for the six month period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reportin*g and the *Corporations Regulations 2001*. As the auditor of Integrated Media Technology Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the interim financial report.

A review of a interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Integrated Media Technology Limited is not in accordance with the *Corporations Act 2001* including;

(a) giving a true and fair view of the group's financial position as at 30 June 2017 and its performance for the six-month period ended on that date;

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

StewartBrown

StewartBrown Audit Services Pty Limited

S.J. Hutcheon
Partner

Adelaide, 31 August 2017

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