ITM Corporation Ltd

(ABN 52 605 374 570)

Annual Financial Report

for the period

30 April 2015 to 30 June 2016

Index

Corporate Information

ABN 52 605 374 570

Directors

Mr Gang Xu	*Director & CEO*
Mr Keong Chan	*Executive Director*
Mr Jie Chen	*Non-Executive Director*
Mr Weihua Xin	*Non-Executive Director*

Company Secretary

Mr Keong Chan

Registered Office

Suite 8, 1297 Hay Street
West Perth WA 6005

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info@goitm.com

Principal Office

Suite 8, 1297 Hay Street
West Perth WA 6005

Web Address

www.goitm.com

Auditors

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Directors' Report

Your Directors present their report on ITM Corporation Ltd (the "Company") for the period from 30 April 2015 to 30 June 2016.

Directors

The names of directors who held office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Jie Chen

Qualifications	Masters degree in economics. He has received numerous distinguished awards at provincial and national levels for his achievements in entrepreneurship and leadership including being one of the 10 excellent entrepreneurs in Shandong Province, top 20 best mine managers in the PRC and PRC's excellent entrepreneur.
Experience	Mr Chen has over 30 years of operational and management experience in the mining industry in the People's Republic of China (PRC).
Interest in Shares and Options	45,000,005 ordinary shares
Special Responsibilities	Director
Directorships in listed companies in the past 3 years	Dragon Energy Limited

Mr Gang Xu

Qualifications	Mr Xu completed his Masters of Business Administration in the United States in 1997. He also completed his Masters of Geology in the PRC.
Experience	Mr Xu is a geologist with over 20 years' experience in the mining and energy industry. He spent 9 years as a senior exploration geologist with the China National Nuclear Corporation (CNNC), which explored for uranium in eastern and northern China. Mr Xu was also the Finance and Marketing Manager for Sino Gold Limited which developed the first international standard mining operation in the PRC. In addition to his technical skills and experience in exploration and mining, he has significant diverse experience in business research, marketing and finance.
Interest in Shares and Options	92,055,601 ordinary shares (including shares held by related parties)
Special Responsibilities	CEO
Directorships in listed companies in the past 3 years	Dragon Energy Limited

Directors' Report (continued)

Mr Keong Chan
(appointed 6 Nov 2015)

Qualifications	Bachelor of Commerce degree from the University of Western Australia and Master of International Customs Law and Administration from the University of Canberra.
Experience	Mr. Chan has provided advice to a number of companies on corporate matters in relation to capital raisings, IPOs, back door listings, mergers and acquisitions, takeovers/divestments and has sat on or acted as an advisor to a number of ASX listed boards.
Interest in Shares and Options	Nil
Special Responsibilities	Company Secretary
Directorships in listed companies in the past 3 years	Dragon Energy Limited

Mr Michael van Uffelen
(resigned on 6 Nov 2015)

Qualifications	Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant.
Experience	Mr van Uffelen has more than 25 years accounting and finance experience gained with major accounting firms, investment banks and public companies, both in Australia and internationally. Since 2010, Michael has focused on providing CFO, company secretarial and corporate finance services to companies in Australia.
Interest in Shares and Options	Nil
Special Responsibilities	CFO and Company Secretary
Directorships in listed companies in the past 3 years	Dragon Energy Limited

Mr Weihua Xin

Qualifications	MBA, Peking University. Chairman of Shandong Wanbao Group.
Experience	He has received numerous distinguished awards at provincial and national levels for his achievements in entrepreneurship and leadership including being the excellent innovative entrepreneur, top 500 best international trade enterprises, one of the "Ten Outstanding Young People Award" winners in Rizhao City. Shandong Province. Mr. Xin has over 25 years of operational and management experience in international trade.
Interest in Shares and Options	33,043,111
Special Responsibilities	Nil
Directorships in listed companies in the past 3 years	Nil

There were no ordinary shares issued during the period as a result of the exercise of options and there were no unexercised options.

Company Secretary

The company secretary is Keong Chan. Details disclosed in director information.

Meetings of directors

During the financial period, no meetings of directors were held.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors and executive officers against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify its Directors for all liabilities to another person (other than the Company or related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has not taken any insurance cover for the period.

Directors' Report (continued)

Principal Activities

The principal activities during the period of the period were preliminary activities to establish an e-commerce trading business, and marketing efforts to aid in the growth of this business.

Operating and financial review

Operating results for the year

Net loss attributable to equity holders for the period from 30 April 2015 to 30 June 2016 was $472,906.

Financial position and significant changes in state of affairs

The Company raised $896,343 via a private placement.

Cash and cash equivalents at 30 June 2016 totalled $344,555.

Business strategies, and prospects for future financial years

The Company plans to establish an e-commerce trading business between people resident in Australia and China.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Significant Changes in the State of Affairs

The Company was established on 30 April 2015 with $200,000 of share capital.

Dividends

No dividends have been paid or declared since incorporation and the Directors do not recommend the payment of a dividend in respect of the period.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM Australia Partners ("RSM"), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM during or since the financial period.

Auditor Independence

The auditor's independence declaration for the period from 30 April 2015 to 30 June 2016 has been received and is included within this financial report.

Directors' Report (continued)

Non-Audit Services

No non-audit services were provided by the entity's auditor, RSM.

Events subsequent to Reporting Date

On September 21, 2016, the Company acquired Nanjing Sonata Trading Co Ltd, a Chinese company which has been carrying out marketing activities in China as the Company's agent and distributor since July 2015. This will provide better synergy in our operations in China.

Likely Developments

The Company intends to establish an e-commerce trading business between people resident in Australia and China.

Proceedings on Behalf of the Company

The Company has not commenced any litigation.

Signed in accordance with a resolution of the Directors:

Mr Gang Xu
Director and CEO
Perth, 31 October 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 30 APRIL 2015 TO 30 JUNE 2016

	Note	2016
		$
Sales Revenue	3	135,761
Cost of Goods sold		(136,203)
Gross (Loss)		(442)
Wages & Salaries		(119,809)
Marketing expenses		(164,449)
Website & Application Development Costs		(33,876)
Travel & Accommodation		(65,643)
Administrative expenses		(92,211)
Operating (Loss)		(476,430)
Other income	3	3,524
(Loss) before income tax		**(472,906)**
Income tax		-
(Loss) after income year		**(472,906)**
Other Comprehensive Income		
Other Comprehensive Income for the year, net of tax		**-**
Total Comprehensive (Loss) for the year attributable to owners		**(472,906)**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016
		$
CURRENT ASSETS		
Cash and cash equivalents	4	344,555
Trade and other receivables	5	18,563
Inventory	6	61,905
Other assets	7	16,850
Total Current Assets		**441,873**
TOTAL ASSETS		**441,873**
Current Liabilities		
Trade and other payables	8	18,436
Total Current Liabilities		**18,436**
TOTAL LIABILITIES		**18,436**
NET ASSETS		**423,437**
EQUITY		
Issued capital	9	896,343
Accumulated losses	10	(472,906)
TOTAL EQUITY		**423,437**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 30 APRIL 2015 TO 30 JUNE 2016

	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance at inception on 30 April 2015	-	-	-
Shares issued	896,343	-	896,343
(Loss) for the period	-	(472,906)	(472,906)
Balance at 30 June 2016	896,343	(472,906)	423,437

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 30 APRIL 2015 TO 30 JUNE 2016

	Note	2016
		$
Cash Flows related to Operating activities		
Receipts from product sales and related debtors		39,089
Payments to suppliers and employees		(590,356)
Interest received		3,524
Net Operating Cash Flows	**4(ii)**	**(547,743)**
Cash Flows related to Investing activities		-
Cash Flows related to Financing activities		
Proceeds from issue of shares		896,343
Net Financing Cash Flows		**896,343**
Net Increase in cash held		348,600
Cash and cash equivalents at the end of the financial period		**-**
Exchange rate adjustments		(4,045)
Cash and cash equivalents at the end of the financial period		**344,555**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

ITM Corporation Ltd (the “Company”) is an Australian public unlisted company, which was incorporated on 30 April 2015.

The Company is working to establish a growing e-commerce trading business between people resident in Australia and China and is a for-profit entity.

New, revised or amending Accounting Standards and Interpretations adopted
The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation
The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards (adopted by the International Accounting Standards Board.

The financial statements were authorised for issue by the directors on 31 October 2016.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Functional and presentation currency
The financial report is presented in Australian dollars, which is the Company’s functional currency.

Critical accounting estimates
The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods
Sale of goods revenue is recognised upon dispatch of goods, which is where the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts

Interest income
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(b) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(c) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within periods ranging from 30 to 90 days.

(d) Foreign currency translation

Both the functional and presentation currency of the Company is Australian dollars. Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(h) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

(ii) Subsequent costs

Subsequent costs are only included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these subsequent costs will flow to the Company and the cost of the item can be measured reliably. Ongoing repairs and maintenance are recognised as an expense in profit and loss during the financial year in which they are incurred.

(iii) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Office Equipment – over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(iv) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

(v) De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(i) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(k) Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date, they are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Finance costs

Finance costs comprise interest expense on borrowings, excluding interest expenses incurred for the construction of qualifying assets which are assets that necessarily take a substantial period of time be get ready for their intended use or sale, unwinding of the discount on provisions, impairment losses recognised on financial assets, foreign exchange gains/losses and changes in fair value of financial instruments.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Financial assets

Financial assets are classified as receivables and carried at amortised cost.

(o) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

	2016
	$

2. INCOME TAX

(a) Income tax recognised in profit/loss

No income tax is payable by the Company entities as it recorded a loss for income tax purposes for the period.

(b) Numerical reconciliation between income tax expense and the loss before income tax.

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

Accounting loss before tax	(472,906)
Income tax benefit at 28.5%	(134,778)
Tax effect of non-allowable items and temporary differences	2,323
Unrecognised tax losses	132,455
Income tax benefit attributable to loss from ordinary activities	-

(c) Unrecognised deferred tax balances

Previous year deferred tax asset	-
Tax losses @ 28.5%	132,455
Net unrecognised deferred tax asset at 28.5**%**	132,455

A deferred tax asset attributable to income tax losses has not been recognised at balance date as the probability criteria disclosed in Note 1 is not satisfied and such benefit will only be available if the conditions of deductibility also disclosed in Note 1 are satisfied.

3. REVENUE AND OTHER INCOME

(a) Sales revenue

Sale of goods	135,761

(b) Other income

Interest	3,524

4. CASH AND CASH EQUIVALENTS

Cash at bank	90,862
Term deposits	251,015
Cash on hand	2,678
	344,555

4. CASH AND CASH EQUIVALENTS (cont'd)

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation to Cash Flow Statement	**2016** **$**
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank.	
Cash and cash equivalents as shown in the statement cash flows are reconciled to the related items in the statement of financial position as follows:	
Cash and cash equivalents	344,555

(ii) Reconciliation of loss after income tax to net cash flows from operating activities:	
Loss for the period	(472,906)
Adjustments for:	
Share base payment	-
Foreign exchange gain/loss	4,045
	(468,861)
Changes in operating assets and liabilities	
Change in trade and other receivables	(35,413)
Change in trade and other payables	18,436
Inventory at the end of the period	(61,905)
Net cash outflow from operating activities:	(547,743)

5. TRADE AND OTHER RECEIVABLES

Trade Receivables	18,563
	18,563

6. INVENTORY

Inventory	61,905
	61,905

7. OTHER ASSETS

Tax Credits & GST Receivable	16,850
	16,850

8. TRADE AND OTHER PAYABLES

	2016
	$
Trade creditors	3,698
Accrued Expenses	10,000
Other creditors	4,738
	18,436

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

9. ISSUED CAPITAL

	Number of shares	$
2016 movements in ordinary share capital:		
Balance at inception on 30 April 2015	-	-
Issue of shares	211,714,867	896,343
Balance at 30 June 2016	211,714,867	896,343

The Company does not have authorised capital or par value in respect to its issued shares.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

10. ACCUMULATED LOSSES

	2016
Accumulated losses at the beginning of the period	-
(Losses) for the period	(472,906)
Accumulated losses at the end of the period	(472,906)

11. COMMITMENTS

At 30 June 2016, the Company did not have any contractual commitments to capital expenditure not recognised as liabilities.

12. RELATED PARTY DISCLOSURE

(a) **Loans to and from Key Management Personnel**

No loans have been provided by or to key management personnel during the period.

(b) **Other transactions and balances with Key Management Personnel**

No other transactions with key management personnel have occurred during the period.

(c) **Key Management Personnel Compensation**

The Company has entered into consultancy agreements with Mr Gang Xu and Mr Keong Chan to act as the Company's directors. Under the agreements, they were each paid $35,000 (plus GST) effective from 1 Dec 2015 onwards.

13. SUBSEQUENT TO REPORTING DATE THE COMPANY

On September 21, 2016, the Company acquired Nanjing Sonata Trading Co Ltd, a Chinese company which has been carrying out marketing activities in China as the Company's agent and distributor since July 2015. This will provide better synergy in our operations in China.

14. FINANCIAL RISK MANAGEMENT

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist of deposits with banks and trade and other payables. The totals for each category of financial instruments, are as follows:

	2016 $
Financial Assets	
Cash and cash equivalents	344,555
	344,555
Financial Liabilities	
Trade and other payables	18,436
	18,436

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Company's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Mitigation strategies for specific risks faced are described below:

14. FINANCIAL RISK MANAGEMENT (continued)

Specific financial risk exposures and management

The main risk the Company is exposed to through its financial instruments are interest rate risk, credit risk and liquidity risk.

(a) Interest rate risk

The Company is not exposed to any material interest rate risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. In relation to other credit risk areas management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The Company has no significant concentrations of credit risk. Cash transactions are limited to high credit quality financial institutions. The credit rating for the Company's Australian financial institution is AA-.

At the reporting date, there are no impaired trade receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised at the beginning of this note.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company will aim at maintaining flexibility in funding by accessing appropriate committed credit lines available from different counterparties where appropriate and possible. Surplus funds when available are generally only invested in high credit quality financial institutions in highly liquid markets.

The following are the contractual maturities of financial liabilities excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	12 months or less $	1 to 5 years $
30 June 2016				
Non-derivative financial liabilities				
Trade and other payables	18,436	18,436	18,436	-
	18,436	18,436	18,436	-

14. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Company consists of equity attributable to equity holders, comprising issued capital and retained earnings.

The Board reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through new share issues as well as the issue of debt, if the need arises.

15. AUDITORS' REMUNERATION

	2016
	$
Audit of the financial report	
• RSM Australia Partners	10,000
	10,000

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company and Directors have agreed that once the Company is funded that the efforts to establish the Company and the business would be compensated by an equity ownership scheme.

Other than the matter noted above, the Company had no material contingent liabilities or contingent assets at 30 June 2016 or at the date of this report.

DIRECTORS' DECLARATION

In the opinion of the Directors of ITM Corporation Limited (the "Company"):

a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001 including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the period from 30 April 2015 to 30 June 2016; and

   (ii) complying with Australian Accounting Standards and Corporations Regulations 2001;

   (iii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board; 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 signed in accordance with a resolution of the Board of Directors.

Mr Gang Xu
Director and CEO

31 October 2016

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of ITM Corporation Limited for the period 30 April 2015 to 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 31 October 2016

TUTU PHONG
Partner

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ITM CORPORATION LIMITED

We have audited the accompanying financial report of ITM Corporation Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 30 April 2015 to 30 June 2016, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ITM Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of ITM Corporation Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the period 30 April 2015 to 30 June 2016; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 31 October 2016