INTEGRATED MEDIA TECHNOLOGY LIMITED

INTEGRATED MEDIA TECHNOLOGY LIMITED

ACN 132 653 948

Annual Report

For the Financial Year Ended 31 December 2020

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 "IMTE" or the "Company") and the entities it controlled for the year ended 31 December 2020.

DIRECTORS

The Directors of the Company in office at any time during the year ended 31 December 2020, and up to the date of this report (the "Period") are:

Director	Position
Mr. Con UNERKOV	Non-executive Director *(Resigned on 24 August 2021 and Appointed on 23 October 2024)*
Mr. Byron Zhiyun TAN	Non-executive Director *(Appointed on 25 October 2024)*
Mr. HAZRAN Mohamed	Independent Non-executive Director *(Appointed on 4 July 2023)*
Mr. Muhammad Zubairy bin HUSAIN	Independent Non-executive Director *(Appointed on 4 July 2023)*
Ms. Jannu Binti BABJAN	Independent Non-executive Director *(Appointed on 28 April 2021 & resigned on 6 August 2021 & re-appointed on 23 May 2024)*

Directors who were in office during the Period but resigned prior to the date of this Report:

Mr. Xiaodong ZHANG	Executive Director and Chief Executive Officer *(Appointed on 19 July 2021 as Independent Non-executive Director and re-designated to Executive Director and Chief Executive Officer resigned on 6 June 2023)*
Ms. Jing ZHUO	Executive Director and Chief Financial Officer *(Appointed on 19 July 2021 as Independent Non-executive Director and re-designated to Executive Director and Chief Financial Officer on 26 August 2021)*
Dr. Heming CUI	Independent Non-executive Director *(Appointed on 12 June 2020 & resigned on 9 November 2022)*
Ms. Hui ZHONG	Independent Non-executive Director *(Appointed on 3 August 2021& resigned on 3 June 2024)*
Ms. Xinmei SHI	Independent Non-executive Director *(Appointed on 18 August 2021 & resigned on 20 December 2021)*
Ms. Dan LI	Independent Non-executive Director *(Appointed on 31 August 2021& resigned on 4 July 2023)*
Mr. Zhongqing YANG	Independent Non-executive Director *(Appointed on 29 April 2022 & resigned on 6 June 2023)*
Mr. Uwe von PARPART	Executive Director *(Resigned on 24 August 2021)*
Mr. Luis PUYAT	Independent Non-executive Director *(Appointed on 15 January 2021 & resigned on 19 July 2021)*
Ms. Jannu Binti BABJAN	Independent Non-executive Director *(Appointed on 28 April 2021 & resigned on 6 August 2021)*
Dr. Man Chung CHAN	Independent Non-executive Director *(Resigned on 30 September 2021)*
Mr. Wuhua ZHANG	Non-executive Director *(Resigned on 30 September 2021)*
Dr. Xiao Zhicheng	Independent Non-executive Director *(Appointed on 19 June 2023 & resigned on 22 July 2024)*

Directors' Report

INFORMATION ON DIRECTORS.

Mr. Con UNERKOV ("Mr. Unerkov"), aged 56, was appointed director of the Company on October 23, 2024. Mr. Unerkov also served as Chairman and CEO from May 2019 and to August 2021. He is an Australian based businessman with more than 25 years of local and international senior executive experience. Throughout his career, Mr. Unerkov has worked as an executive and chief executive officer for a number of companies both in the private and public sectors. He has significant experience in the financial markets with a focus on structuring, M&A and corporate financing for both private and public companies, simultaneously providing parallel guidance for companies to gain market recognition, shareholder value and liquidity. Mr. Unerkov is the Chairman of Oakridge International Limited, a company listed on the Australian Securities Exchange ("ASX") engaged in professional healthcare technology equipment and solutions to healthcare facilities, and expanding into delivering assisted independent living technologies utilising Internet of Things (IoT) products and solutions. Mr. Unerkov's other companies are focused on providing clean energy charging, energy storage solutions and zero emission mobility. in the Internet of Things (IoT) and healthcare sector.

Mr. Byron Zhiyun TAN ("Mr. Tan"), aged 44, was appointed director of the Company on October 25, 2024. Mr. Tan is also the Secretary of the Company. Mr. Tan is a partner in his own business consulting services firm in Sydney, Australia. He has over 10 years of experience providing business and tax advisory services to large & SME corporates and high-net-worth individuals. He has also worked as a Financial Controller of a large private company. Mr. Tan specializes in Business Advisory, Cloud and Business Systems, Strategic Advisory, Corporate Finance & Advisory, Tax Advisory and R&D Incentives and Advisory. Mr. Tan is a member of Certified Practicing Accountant, Australia (CPA). He is also a Chartered Tax Adviser (CTA) and a Registered Tax Agent in Australia. Mr. Tan received a Master of Business Administration majoring in Accounting and Management from the University of Technology, Sydney. He received a Bachelor of Environmental Engineering from the University of Hunan.

Mr. Hazran Mohamed ("Mr. Hazran") age 53, was appointed as an independent non-executive director of the Company on July 4, 2023. Mr. Mohamed has over 15 years of experience as journalist working as news editor for television. Currently he is an independent journalist in Malaysia. From 2020 to 2022, he was the Press Secretary to Minister of Ministry of Rural Development ("KPLB"), a government linked entity in the business of rural development in line with the Malaysian government's initiative in addressing poverty, improving the quality of life and well-being of the rural community. Prior to joining the KPLB, Mr. Mohamed has worked in senior positions as a Special Officer to Chairman of Tenaga National Berhad (TNB), the national electricity company of Malaysia. From 2016 to 2018 he served as the Head of Corporate Communication for Ministry of Education. Mr. Mohamed received a Bachelor of Social Science & Malay Literature from University Putra Malaya.

Mr. Muhammad Zubairy bin Husain ("Mr. Husain"), age 52, was appointed as an independent and non-executive director of the Company on July 4, 2023. Mr. Husain was trained at the Chamber of Dato' Doctor Ratnam Kamala Nathan. He was called to the Malaysian Bar as an Advocate & Solicitor in 1996. He practiced civil litigation between 1996 and 2000, specializing in medical negligence and accident cases. He then went on to establish his own law firm, Hasif Zubairy & Associates, in 1997 which focused on 5-star hotel line consultation jobs. He ventured into the IT business in 2002 with iTer Niaga Sdn Bhd, which focused on hardware supply and maintenance. He further ventured into the security business providing maritime security services to various business verticals, mainly the oil and gas sector. He was also involved in nation-building activities and received the Bintang Kebaktian Masyarakat (BKM) medal and the Panglima Mahkota Wilayah (PMW) title for his fundraising activities for orphans and single mothers. He is skilled in organization and management, strategic planning, communication, and negotiation. Mr. Husain received a Bachelor of Laws (Hons.) from National University of Malaysia in 1995.

INFORMATION ON DIRECTORS (Continued)

Ms. Jannu Binti Babjan ("Ms. Babjan"), aged 57, was appointed as an independent and non-executive director of the Company on May 23, 2023. She is an Advocate & Solicitor practicing in Malaysia operating her own proprietary business for the past 8 years. She has over 29 years of experience in civil litigations in a wide range of areas including commercial disputes, employment and industrial matters, shareholder disputes, etc. Ms. Babjan has acted for clients in all tiers of the Malaysian legal system from the magistrate courts right up to the Federal Court of Malaysia. Ms. Babjan was an independent and non-executive director of the Company from April 2021 to August 2021. Ms. Babjan graduated from the University of Malaya - LLB (Hons) Malaya.

Directors who were in office during the Period but resigned prior to the date of this Report:

Mr. Xiaodong ZHANG ("Mr. Zhang"), aged 54, has served as director since July 2021 and resigned on June 6, 2023. He was the Executive Vice President and CFO of Boqi Xinhai Group Company Limited ("Boqi Xinhai"), a company in the business of investment and financing management, sales of automobile and agricultural technology development in China. Mr. Zhang has extensive experience in financial management in the capital market in China. Prior to joining the Boqi Xinhai, Mr. Zhang has worked in senior positions in capital operation and risk control management in China. Mr. Zhang has a Master of Science in Financial Management from Northwestern Polytechnical University in Xi'an city, Shaanxi province, China.

Ms. Jing ZHUO ("Ms. Zhuo"), aged 37, has served as director since July 2021 and resigned on June 19, 2023. She was also the CFO of the Company from August 26, 2021 to June 19, 2023. She was the Executive Vice General Manager of Dalian Jiujiu Technology Company Ltd. ("Dalian Jiujiu"), a company in the business of IT technology development and consultancy. Ms. Zhuo manages all the financial matters for Dalian Jiujiu including capital market initiatives. She has worked in Dailan Jiujiu since 2019. Ms. Zhuo has extensive experience in financial management in the technology industry and in the capital market. Prior to joining the Dalian Jiujiu, Ms. Zhuo has worked in senior positions, including software development, for a number of companies. In 2009, Ms. Zhuo received a Master of Science in Financial Management from Dongbei University of Finance & Economics in Dalian City, Liaoning province, China.

Dr. Heming CUI, ("Dr. Cui"), aged 42, has served as director since June 12 2020 and resigned on November 9, 2022. He **is** an assistant professor in Computer Science of the University of Hong Kong ("HKU") since January 2015. His research interests are in distributed system, IoT, big-data computing, and parallel computing, with a particular focus on creating software infrastructures and tools to greatly improve the performance, reliability and security of real-world software. After joining HKU, Dr. Cui's research publications mainly contained in two segments: (1) transparent and efficient distributed fault-tolerance systems, and (2) automated program analysis tools that can greatly improve the security of parallel and IoT software. Dr. Cui's research in HKU has led to a series of open-source projects as well as publications in international conferences and journals on computer systems (e.g., SOSP, NSDI, ATC, DSN, SOCC, ACSAC, SRDS, JSAC, and TPDS). Dr. Cui's serves on the program committees of international top systems, and networking conferences, including NSDI, ATC, SOCC, DSN, and ICDCS. Much of the source code and evaluation results in Dr. Cui's publications are adopted by global software companies, including RedHat, Android, Ubuntu, and VMWare. Before joining HKU, Dr. Cui obtained his master and bachelor degrees in Computer Science from Tsinghua University in Beijing, and PhD degree in Computer Science from Columbia University in New York.

Ms. Hui Zhong ("Ms. Zhong"), age 41, has served as a director of the Company since August 2021 and resigned on June 3, 2024. Ms. Hui has worked as a project costing engineer for construction projects in China from 2006 to 2013 before moving to Australia. In the past 5 years, Ms. Zhong operated her own gift shop business from 2017 to 2019. From 2017 to now, Ms. Zhong has worked for Max Biocare Pharmaceutical Company as a part time consultant for events and expos. Ms. Zhong has a Bachelor Degree in Public Utility Management from Dalian University of Technology in Dalian city, Liaoning province, China.

INFORMATION ON DIRECTORS (Continued)

Ms. Xinmei SHI ("Ms. Shi"), aged 37, has served as director from August 18, 2021 to December 20, 2021. She has over 16 years of financial and property industry experience. In the past 5 years, Ms. Shi has been working as the Sales Director of Prudential Hong Kong Limited and Prudential General Insurance Hong Kong Limited, a financial institution offering a range of financial planning services and products including individual life insurance, investment-linked insurance, retirement investment products, health and medical insurance, general insurance and employee benefits in Hong Kong. Prior to that, Ms. Shi was the Financial Supervisor at China Overseas Property Group Company Limited, a company that is engaged in property development and commercial property management experience with a focus on developing quality properties in major cities in Hong Kong and China. Ms. Shi is currently an independent director of Wunong Net Technology Co. Ltd, a company listed on the NASDAQ, engaged in the e-commerce of food products and restaurants. Ms. Shi obtained her Bachelor's Degree in Finance and Trade from Anhui University in 2006 and her Master's Degree of Business Administration from UMT, Peking University.

Ms. Dan LI ("Ms. Li"), aged 38, has served as director since August 2021 and resigned on July 4, 2023. She was the vice president of enterprise operations for RD International Holdings Limited, an investment company providing investment and financial consulting services and selling of financial products to retail customers. Prior to this, from 2007 to 2012, Ms. Li was the corporate investment manager and senior investment analyst for a large financial group in Australia, focusing on investments in the securities market. Ms. Li holds degrees in International Business from Monash University and the Australia Institute of Business and Technology, both institutions are based in Australia.

Mr. Zhongqing YANG ("Mr. Yang"), aged 37, has more than 12 years of experience in the financial and insurance industry and has been in charge of the channel development section of Huaxia Insurance in Shanxi and the corporate department of CBI Life Insurance in Shanxi since 2009, and became the Vice President of Zhongming Investment Group in March 2020, responsible for strategic development planning, operation and market development. Mr. Yang holds a master's degree in management and is proficient in corporate strategic management and overall operation and has very successful experience in wealth management and high net worth client development. He has rich management experience in related industries and strong organizational skills and has led his team to achieve a 35% annual growth rate for three consecutive years.

Mr. Uwe von PARPART ("Mr. Parpart"), aged 84, has served as director since December 17, 2019 and resigned on August 24, 2021. Mr. Parpart is currently the Chairman and Publisher of Asia Times Holding Limited, a Hong Kong based English language news media publishing group, covering politics, economics, business and culture from an Asian perspective. Previously, Mr. Parpart was the Executive Managing Director, Chief Strategist, and Head - Research of Reorient Group Limited, a company listed on the Hong Kong Stock Exchange Limited. Mr. Parpart brings over three decades of experience in finance, journalism, and academia to our Company. Before Reorient, he was the Chief Economist and Strategist at Cantor Fitzgerald HK Capital Markets and prior to that a senior currency strategist at Bank of America. Mr. Parpart's experience in Asia dates back to the late 1980s, when he worked with the Mitsubishi Research Institute in Tokyo, and later served as an advisor to the Thailand's Prime Minister's office. He has contributed to numerous magazines and publications; he was the founding editor of Asia Times from 1995 - 1997, a contributing editor of Forbes magazine, and a columnist for Shinchosha Foresight magazine, Tokyo. He is a frequent guest on CNBC and Bloomberg TV. After serving as an officer in the German Navy, Mr. Parpart received a Fulbright scholarship for doctoral studies in Mathematics and Philosophy at the University of Pennsylvania. He had also taught at University of Pennsylvania and Swarthmore College.

Directors’ Report

INFORMATION ON DIRECTORS (Continued)

Mr. Luis Puyat, (“Mr. Puyat”), aged 62, has served as director since January 15, 2021 and resigned on July 19, 2021. He is a businessman with significant experience in the banking and finance industry. Currently Mr. Puyat is the CEO of VGP Investments, Inc., a company engaged in property investments, and an executive director of First Sovereign Asset Management, Inc. Previously, Mr. Puyat was the Chairman of The Manila Banking Corporation from1999 to 2007. He was also the President of The Manila Bankers Life Insurance from 1993 to 1999. Mr. Puyat has a Masters in Business Economics (Non-Degree) from the University of Asia & the Pacific and a B.S. in Business Administration from the University of Philippines.

Dr. Man-Chung CHAN, (“Dr. Chan”), aged 65, has served as director since May 15,2013 and resigned on September 30, 2021 graduated from the Chinese University of Hong Kong in 1980 in Philosophy and Government & Public Administration. He received his PhD in Computer Science from La Trobe University in Australia. From 1988 till 1994, he taught Computer Science at University of New South Wales. From 1994, he has worked with the Computing Department of the Hong Kong Polytechnic University. Dr. MC Chan was a computational logician and lately he worked in the broad field of knowledge management, artificial intelligence and intellectual property of computing. His theory of functional unification has bridged the gap between modal logic, natural language and logic programming. He founded the Institute of Systems Management in 2003. He has extensive working relationship with municipal government of Jiangsu, Hubei and Henan provinces in China.

Dr. Zhi-Cheng Xiao, (“Dr. Xiao”), age 66, was appointed as an independent non-executive director on June 19, 2023 and resigned on July 22, 2024. Dr. Xiao has since 2011 to now a Professor in the Department of Anatomy and Developmental Biology at Monash University in Melbourne Australia. He has also worked with one the of the world’s top pharmaceutical companies as a director of research in neuroscience and neurodegenerative diseases. Dr. Xiao has published more than 130 papers in reputed journals and served as editorial board members of more than 10 journals. He has established IRP Health and uPcare Group in Melbourne.

Mr. Wuhua ZHANG, (“Mr. Zhang”), aged 49, has served as director since August 13, 2018 and resigned on September 30, 2021. He is a businessman with significant experience in the electronics industry with a specialty in the semiconductors product field. Mr. Zhang holds a Masters of Technology Management and a Bachelor of Applied Science in Electronic Engineering. Mr. Zhang has extensive experience in product and engineering management, product marketing and sales which was attained during his career as an Account Executive at ST Microelectronics (Shenzhen) Company and as a Key Account Manager at Philips Semiconductors. Mr. Zhang's primary responsibilities in those roles was to drive distribution sales for semiconductor products in China and discover any key new opportunities.

Directors' Report

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors and approvals by written resolution) and numbers of meetings attended by each of the directors of the Company during the financial year.

Director	Board Meeting		Audit Committee		Nomination and Remuneration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr. Xiaodong ZHANG	-	-	-	-	-	-
Ms. Jing ZHUO	-	-	-	-	-	-
Dr. Heming CUI	16	16	2	2	-	-
Ms. Hui ZHONG	-	-	-	-	-	-
Ms. Xinmei SHI	-	-	-	-	-	-
Ms. Dan LI	-	-	-	-	-	-
Mr. Zhongqing YANG	-	-	-	-	-	-
Mr. Con UNERKOV	24	24	-	-	-	-
Mr. Uwe von PARPART	24	23	2	2	-	-
Mr. Luis PUYAT	-	-	-	-	-	-
Ms. Jannu Binti BABJAN	-	-	-	-	-	-
Dr. Man Chung CHAN	24	24	2	2	-	-
Mr. Wuhua ZHANG	24	16	-	-	-	-

CONTRACTS WITH DIRECTORS

The Company has not entered into any contract with a director or a related party of a director other than those disclosed under Notes 32 and 33 to the consolidated financial statements of this 2020 Annual Report.

COMPANY SECRETARY

The company secretary in office at any time during the year ended 31 December 2020 and up to the date of this report are as below:

Ms. Hui ZHONG, ("Ms. Zhong")

Ms. Zhong, aged 39, has worked as a project costing engineer for construction projects in China from 2006 to 2013 before moving to Australia. In the past 5 years, Ms. Zhong operated her own gift shop business from 2017 to 2019. From 2017 to now, Ms. Zhong has worked for Max Biocare Pharmaceutical Company as a part time consultant for events and expos. Ms. Zhong has a Bachelor Degree in Public Utility Management from Dalian University of Technology in Dalian city, Liaoning province, China.

Mr. Byron Zhiyun Tan, (Mr. Tan)

Mr. Tan was appointed the company secretary in June 2023. Mr. Tan is a partner in his own business consulting services firm in Sydney, Australia. He has over 10 years of experience providing business and tax advisory services to large & SME corporates and high-net-worth individuals. He has also worked as Financial Controller of a large private company. Mr. Tan specializes in Business Advisory, Cloud and Business Systems, Strategic Advisory, Corporate Finance & Advisory, Tax Advisory and R&D Incentives and Advisory. Mr. Tan is a member of Certified Practicing Accountant, Australia (CPA). He is also a Chartered Tax Adviser (CTA) and a Registered Tax Agent in Australia.

Mr. Tan received a Master of Business Administration majoring in Accounting and Management from the University of Technology, Sydney. He received a Bachelor of Environmental Engineering from the University of Hunan.

PRINCIPAL ACTIVITIES

IMTE business activities are (i) the marketing and sales of autostereoscopic 3D display products, and (ii) manufacturing and sale of switchable windows and air filters, (iii) provision of financial risk analysis and research.

Directors' Report

OPERATING RESULTS

The consolidated loss of the Group for the financial year after provision of income tax amounted to $10,543,658 (2019: loss of $16,700,199).

DIVIDENDS PAID OR PROPOSED

No amounts have been paid or declared by way of dividends by the Company. The Directors do not propose the payment of a dividend for the year ended 31 December 2020.

SHARES UNDER OPTION

The Company has no share options outstanding during or at the end of the financial year.

DIRECTORS' SUPERANNUATION AND RETIREMENT BENEFITS

During the financial year, there were no amounts paid or payable by the parent entity or a related party to Directors or to any prescribed benefit superannuation fund in respect of the retirement of any Director.

SHARE TRANSACTIONS OF DIRECTORS

The interests of the Directors in the securities of IMTE, whether held directly, indirectly, beneficially or non-beneficially are set out below:

(a) As at 31 December 2020, Mr. Unerkov, the then director of the Company, directly held 8,350 shares and indirectly held 8,668 and 334 shares (2019: directly held 8,350 shares and indirectly held 8,668 and 334 shares) in the Company through his wholly owned company Intek Solution Pty Limited and Unerkov Enterprises Pty Limited respectively.

(b) Up to the date of this report, Mr. Zhang indirectly held 227,811 shares in the Company through his wholly owned company Xinyuandi International Holdings Limited.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company's Directors and Officers Insurance policy provides insurance cover in certain circumstances for matters that may give rise to potential liability of directors and officers and includes the cost of defending such action, except where the liability arises out of:

- Any conduct or contravention in respect of which a liability is the subject of a prohibition in section 199B(1) of the Corporations Act 2001; or
- The committing of any deliberately dishonest or deliberately fraudulent act.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director. In summary the Deed provides for:

- Access to corporate records for each Director for a period after ceasing to hold office in the Company;
- The provision of Directors and Officers Liability Insurance; and
- Indemnity for legal costs incurred by Directors in carrying out the business affairs of the Company.

Except for the above the Company has not otherwise, during or since the year end, except to the amount permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

The Group is not involved in any legal proceedings at this time and no person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Directors' Report

NON-AUDIT SERVICES

The Group did not engage the auditor for non-audit services provided during the financial year. Remuneration for these services is outlined in Note 7 of the financial report.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 86 of the financial report.

Signed in accordance with a resolution of the Directors.

Byron Zhiyun TAN
Chairman

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Notes	Group 2020 $	Group 2019 $
REVENUE, net			
Revenue from operating activities	4	1,744,629	1,275,425
Interest income		6,197	115,762
		1,750,826	1,391,187
Gain on fair value change in derivative financial instruments	24	2,312,197	127,551
Gain on disposal of plant and equipment		-	212,195
Other income	5	82,561	807,831
		4,145,584	2,538,764
EXPENSES			
Cost of sales		(1,311,566)	(1,008,821)
Employee benefit expenses	7	(2,212,643)	(4,034,378)
Depreciation and amortisation expenses	7	(2,078,762)	(3,174,784)
Professional and consulting expenses		(1,373,907)	(2,019,970)
Travel and accommodation expenses		(40,895)	(281,895)
Office expenses and supplies		(310,360)	(312,343)
Rental costs	7	(126,382)	(637,321)
Other operating expenses		(480,015)	(794,036)
Finance costs	6	(2,100,272)	(1,561,625)
Provision for impairment loss of goodwill		-	(4,486,301)
Provision for inventory obsolescence	7	17,671	(799,871)
Provision for impairment loss of Intangible assets		(3,459,340)	-
Provision for bad debts	7	(58,932)	-
Loss on disposal of subsidiaries	27	(28,990)	-
Plant and equipment written off		(110)	-
Development projects written off		(930,356)	-
Exchange loss		(194,383)	(10,296)
Total expenses		(14,689,242)	(19,121,641)
LOSS BEFORE INCOME TAX	7	(10,543,658)	(16,582,877)
Income tax expense	8	-	(117,322)
LOSS FOR THE YEAR		(10,543,658)	(16,700,199)
OTHER COMPREHENSIVE INCOME			
Items that may be re-classified subsequently to profit or loss:			
Foreign currency translation		55,673	157,471
Other comprehensive income for the year, net of tax		55,673	157,471
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(10,487,985)	(16,542,728)
Loss for the year attributable to:			
Owners of the company		(10,034,077)	(15,646,147)
Non-controlling interests		(509,581)	(1,054,052)
		(10,543,658)	(16,700,199)
Total comprehensive loss for the year attributable to:			
Owners of the company		(9,885,412)	(15,540,317)
Non-controlling interests		(602,573)	(1,002,411)
		(10,487,985)	(16,542,728)
Loss per share			
- Basic and Diluted	10	(2.33)	(4.63)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statements of Financial Position
As at 31 December 2020

	Notes	Group 2020 $	Group 2019 $
ASSETS			
CURRENT ASSETS			
Cash and bank balances		2,194,084	735,724
Inventories	11	187,401	749,173
Right of use assets	22	-	682,119
Trade and other receivables	12	1,164,605	770,958
Other assets	13	2,089,897	2,291,273
Total current assets		5,635,987	5,229,247
NON-CURRENT ASSETS			
Plant and equipment	14	7,317,678	729,117
Intangible assets and goodwill	15	-	9,950,803
Right of use assets	22	-	425,773
Development projects	16	-	3,611,336
Total non-current assets		7,317,678	14,717,029
TOTAL ASSETS		12,953,665	19,946,276
LIABILITIES			
CURRENT LIABILITIES			
Trade and other liabilities	17	3,589,164	4,338,495
Provision for employee benefits	18	-	64,135
Amounts due to related companies	19	237,674	6,101,850
Amount due to ultimate holding company	20	532,718	582,832
Borrowings	21	-	1,817,782
Lease liabilities	22	-	666,868
Convertible bonds	23	-	4,420,899
Total current liabilities		4,359,556	17,992,861
NON-CURRENT LIABILITIES			
Lease liabilities	22	-	501,739
Deferred tax liabilities	8	13,668	1,372,653
Convertible promissory notes	25	2,196,049	-
Derivative financial instruments	24	1,478,540	-
Total non-current liabilities		3,688,257	1,874,392
TOTAL LIABILITIES		8,047,813	19,867,253
NET CURRENT ASSETS/ (LIABILITIES)		1,276,431	(12,763,614)
NET ASSETS		4,905,852	79,023
CAPITAL AND RESERVES			
Issued capital	28	32,089,997	18,902,029
Foreign currency translation reserve	29	883,878	735,213
Other reserves	29	2,704,452	4,423,141
Accumulated losses		(34,102,300)	(25,786,912)
Equity owner of the Company		1,576,027	(1,726,529)
Non-controlling interests		3,329,825	1,805,552
TOTAL EQUITY		4,905,852	79,023

The accompanying notes form part of these consolidated financial statements.

	Attributable to owners of the Company						
	Issued Capital	(Accumulated Losses) / Retained Earnings	Foreign Currency Translation Reserve	Other Reserves	Total	Non-controlling Interest	Total Equity
	$	$	$	$	$	$	$
Balance at 1 January 2019	18,902,029	(10,676,713)	629,383	4,959,089	13,813,788	2,807,963	16,621,751
Loss for the year 2019	-	(15,646,147)	-	-	(15,646,147)	(1,054,052)	(16,700,199)
Other comprehensive loss, net of tax	-	-	105,830	-	105,830	51,641	157,471
Total comprehensive income for the year	-	(15,646,147)	105,830	-	(15,540,317)	(1,002,411)	(16,542,728)
Transfer convertible bond reserves	-	535,948	-	(535,948)	-	-	-
Balance at 31 December 2019 & 1 January 2020	18,902,029	(25,786,912)	735,213	4,423,141	(1,726,529)	1,805,552	79,023
Loss for the year 2020	-	(10,034,077)	-	-	(10,034,077)	(509,581)	(10,543,658)
Other comprehensive income, net of tax	-	-	148,665	-	148,665	(92,992)	55,673
Total comprehensive loss for the year	-	(10,034,077)	148,665	-	(9,885,412)	(602,573)	(10,487,985)
Transfer other reserves to accumulated loss	-	1,718,689	-	(1,718,689)	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	3,888,027	3,888,027
Disposal of subsidiaries	-	-	-	-	-	(1,761,181)	(1,761,181)
Issuance of new ordinary shares – cash	7,121,283	-	-	-	7,121,283	-	7,121,283
Issuance of new ordinary shares – conversion of debt	4,122,562	-	-	-	4,122,562	-	4,122,562
Issuance of new ordinary shares – services	23,249	-	-	-	23,249	-	23,249
Issuance of new ordinary shares – acquisition	2,060,000	-	-	-	2,060,000	-	2,060,000
Legal expenses in respect of issuance of shares	(139,126)	-	-	-	(139,126)	-	(139,126)
Balance at 31 December 2020	32,089,997	(34,102,300)	883,878	2,704,452	1,576,027	3,329,825	4,905,852

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	Note	Group 2020 $	Group 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(10,543,658)	(16,582,877)
Adjustments to reconcile profit before income tax to net cash (used in) / provided by operating activities:			
Depreciation and amortisation		2,078,762	3,174,784
Write-off of plant and equipment		110	-
Impairment loss for trade receivables		58,932	11,052
Provision for inventories obsolescence		(17,671)	799,871
Loss on disposal of subsidiaries		28,990	-
Gain on disposal of plant and equipment		-	(212,195)
Provision for impairment loss of goodwill		-	4,486,301
Provision for impairment loss of intangible assets		3,459,340	-
Development projects written off		930,356	-
Net cash inflows / (outflows) from changes in working capital	34	(2,186,276)	1,783,050
NET CASH OUTFLOWS BY OPERATING ACTIVITIES		(6,191,115)	(6,540,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of plant and equipment		(7,236,260)	(1,223,028)
Payments for intangible assets		-	(7,283)
Payment for development expenditure		(125,520)	(598,306)
Disposal of subsidiaries, net of cash disposed of		855,506	-
Capital injection from minority shareholders		1,920,153	-
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(4,586,121)	(1,828,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from advances to related parties		840,509	3,954,640
Advance from other liabilities		211,567	2,610,091
Proceeds from bank borrowings		-	930,334
Repayment of bank borrowings		-	(840,285)
Advance from/ (repayment) to ultimate holding company		-	501,343
Fair value change in derivative financial instruments		(2,312,197)	(127,551)
Interest income from ultimate holding company		-	(115,678)
Interest received from ultimate holding company		-	18,714
Interest accrued for lease liabilities		32,526	109,675
Finance costs for convertible bonds		1,693,890	1,316,702
Interest paid for convertible bonds		(185,469)	(209,392)
Payment for convertible bonds		(4,668,195)	-
Proceeds from issuance of convertible promissory notes		4,913,100	-
Net proceeds from issuance of ordinary shares		13,187,968	-
Payments for lease liabilities		(320,851)	(573,010)
NET CASH PROVIDED BY FINANCING ACTIVITIES	34	13,392,848	7,575,583
NET INCEASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,615,612	(793,048)
Effect of exchange rate changes on cash and cash equivalents		(254,770)	619,705
Cash and cash equivalents at the beginning of financial year		(166,758)	6,585
CASH AND CASH EQUIVALENT AT THE END OF FINANCIAL YEAR		2,194,084	(166,758)
Analysis of cash and cash equivalents:			
Cash and bank balances		2,194,084	735,724
Bank overdraft		-	(902,482)
Cash and cash equivalents		2,194,084	(166,758)

The accompanying notes form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

1. REPORTING ENTITY

The consolidated financial report covers the entity of Integrated Media Technology Limited ('IMTE") and its controlled entities for the year ended 31 December 2020 which were authorised for issue by the Board of Directors on 6 December 2024. IMTE is a for-profit public company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Nasdaq Capital Markets. IMTE is an investment holding company and its subsidiaries carry out the business of the Group in Australia, Korea, Hong Kong and China.

The Company and its subsidiaries are referred to as the "Group".

Going Concern

The Company's consolidated financial statements are prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenue sufficient to cover its operating costs and allow it to continue as a going concern. As of 31 December 2020, the Company had accumulated losses of $34,102,300 and generated a net loss in 2020 of $10,543,658 and used cash in operating activities in the amount of $6,191,115. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease or reduce its operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Since 31 December, 2020, the Company was successful in raising a total of US$13 million through debt and equity financing for the repayment of debts and working capital in the Company. Furthermore, the Company disposed of its research and development operation to reduce the overhead of the Group going forward and focus on the sale and marketing operation. The Company will need to continue to raise funds through the sale of its equity securities and issuance of debt instruments to obtain additional operating capital. The Company is and will continue to be dependent upon its ability, and will continue to attempt, to secure additional equity and/or debt financing until the Company can earn revenue and realize positive cash flow from its operations.

There are no assurances that the Company will be successful in earning revenue and realizing positive cash flow from its operations. Without sufficient financing it would be unlikely that the Company will continue as a going concern.

Based on the Company's current rate of cash outflows, cash on hand and proceeds from the recent sale of equity securities and convertible bonds, management believes that its current cash may not be sufficient to meet the anticipated cash needs for working capital for the next 12 months.

The Company's plans with respect to its liquidity issues include, but are not limited to, the following:

i) Continue to raise financing through the sale of its equity and/or debt securities;

ii) Continue developing its business, products and services and seek strategic partnerships and alliances or joint ventures to grow our revenue and profitability.

1. REPORTING ENTITY (Continued)

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and achieve profitable operations. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from this uncertainty.

The consolidated financial statements of the Group are presented in Australian Dollars ("$"), unless otherwise stated.

2. BASIS OF ACCOUNTING

The consolidated financial statements present general purpose financial report that have been prepared in accordance with Australian Accounting Standards ("AASBs"), including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 as appropriate for for-profit entities. The consolidated financial statements also comply with International Financial Reporting Standards ("IFRSs") as adopted by the International Accounting Standards Board.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by the Group in the preparation of the consolidated financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Preparation

The consolidated financial statements have been prepared on the accrual basis and are based on historical costs 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.

(b) Principles of Consolidation

The consolidated financial statements comprise the financial statements of IMTE and its subsidiaries as at 31 December 2020 (the "Group"). Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases. A list of the controlled entities as at 31 December 2020 is disclosed in Note 26 to the consolidated financial statements. Other than, Cystar International Limited (Formerly know as Visumotion International Limited), Colour Investment Limited and GOXD International Limited, all other controlled entities have a 31 December 2020 statutory financial year end.

All inter-company balances and transactions between entities within the Group, including any unrealized profits or losses, have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Principles of Consolidation (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the Group.

(c) 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.

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 acquire, 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.

(d) Current and Deferred Income Tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Current and Deferred Income Tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

(i) in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

(ii) in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or
- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realised and settle simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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. Please refer to Note 15 for impairment review of these autostereoscopic 3D display technologies and knowhow.

(iii) Research and development costs

Development projects in the consolidated statement of financial position represent the development costs directly attributable to and incurred for internal technology projects of the Group. An intangible asset arising from development expenditure on an internal technology project is recognised and included in development projects 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 profit or loss 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) 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.

(f) Inventories

Finished goods are stated at the lower of cost and net realisable value on a "first in first out" basis. Cost comprises direct materials and delivery costs, import duties and other taxes. Costs of purchased inventories are determined after deducting rebates and discounts received or receivable. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(g) Leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 3(k). Impairment losses are accounted for in accordance with an accounting policy as set out in note 3(h). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Lease payments for operating lease, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis unless another method is more representative of the pattern to the users benefit.

(h) Impairment of Assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (other than properties carried at revalued amounts);
- intangible assets; and
- goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of Assets (Continued)

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

(iii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(i) Investments and Other Financial Assets

(i) Recognition

Financial instruments are initially measured at costs on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(ii) Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designed by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorized as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are recognised in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and are stated at amortised costs using the effective interest rate methods.

(iv) Financial liabilities

Non-derivative financial liabilities are recognised at amortised costs, comprising original debt less principal payments and amortisation.

(v) Fair value

Fair value is determined based on current bid prices for all quoted investments.

(vi) Impairment

At each reporting date the Group assesses whether there is any objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss.

(j) Trade deposits

Trade deposits are payments in advance to suppliers of equipment, products and services, which are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses, except where the effect of discounting would be immaterial.

(k) Plant and Equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the Group commencing from the time the assets is held ready for use.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Plant and Equipment (continued)

Depreciation is calculated on a straight-line basis to write the net cost of each item of plant and equipment over their expected useful lives. The depreciation rates used for each class of depreciable assets are generally as follows:

Class of fixed assets	Depreciation rate
Leasehold Improvements	lesser of 5 years or lease term
Office Furniture and Equipment	5-12 years
Machinery	5 -12 years

Gains and losses on disposal are determined by deducting the net book value of the assets from the proceeds of sale and are booked to the profit or loss in the year of disposal.

(l) Foreign Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Australian Dollars ("A$" or "AUD"), which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Group companies

The results of foreign operations are translated into HKD at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, are translated into HKD at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

For year ended 31 December 2020 and 2019, the comprehensive income was $883,878 and $735,213 respectively which was mainly resulted from the translation of the foreign operations in Hong Kong (HKD) and China (RMB) into Australia dollars. The significant monetary items denominated in currencies other than Australia dollars include intangible assets and goodwill, due to related companies, amount due to ultimate holding company, borrowings, convertible bonds and derivative financial instruments.

(m) Trade and Other Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 30 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

(n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

(o) Provisions and Contingent Liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(q) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(r) Convertible Bonds

Convertible bonds that can be converted into ordinary shares at the option of the holder, where the number of shares to be issued is fixed, are accounted for as compound financial instruments, i.e. they contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured at fair value based on the future interest and principal payments, discounted at the prevailing market rate of interest for similar non-convertible instruments. The equity component is the difference between the initial fair value of the convertible bonds as a whole and the initial fair value of the liability component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. Interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the bonds are converted or redeemed.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Convertible Bonds (Continued)

If the bonds are converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bonds are redeemed, the capital reserve is released directly to retained profits.

(s) Derivative Financial Instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(t) Employee Benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of the statement of financial position.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(u) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and call deposits with banks or financial institutions and net of bank overdrafts.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue

Revenue is recognized in accordance with IFRS 15 Revenue from Contracts with Customers. The underlying principle is to recognize revenue when a customer obtains control of the promised goods at an amount that reflects the consideration that is expected to be received in exchange for those goods. It also requires increased disclosures including the nature, amount, timing, and uncertainty of revenues and cash flows related to contracts with customers. We adopted IFRS 15 Revenue from Contracts with Customers at the beginning of 2018, and implemented new accounting policies and internal controls necessary to support its requirements. The adoption of IFRS 15 did not have any impact on our revenue recognition.

We recognize revenue upon transfer of control of the promised goods in a contract with a customer in an amount that reflects the consideration we expect to receive in exchange for those products. Transfer of control occurs once the customer has the contractual right to use the product, generally upon shipment or once delivery and risk of loss has transferred to the customer. We account for a contract with customer when we have approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance and collectability of consideration is probable. We identify separated contractual performance obligations and evaluate each distinct performance obligation within a contract, whether it is satisfied at a point in time or over time. All of our performance obligations for the reported periods were satisfied at a point in time.

Revenue is allocated among performance obligations in a manner that reflects the consideration that we expect to be entitled to for the promised goods based on standalone selling prices (SSP). SSP are estimated for each distinct performance obligation and judgment may be required in their determination. The best evidence of SSP is the observable price of the product when we sell the goods separately in similar circumstances and to similar customers.

Until 1 January 2018, revenues from sales of products and services were recognized upon delivery provided that the collection of the resulting receivable was reasonably assured, there was persuasive evidence of an arrangement, no significant obligations remained and the price was fixed or determinable.

The product warranties, which in the great majority of cases includes component and functional errors, are usually granted for a one year period from legal transfer of the product. For the customers, the specific warranty period and the specific warranty terms are part of the basis of the individual contract.

Warranty provisions include only standard warranty, whereas services purchased in addition to the standard warranty are included in the services contracts.

Interest Income is recognized as interest accrues using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Sales Taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") or valued-added tax ("VAT"), except where the amount of GST or VAT incurred is not recoverable from the Australian Taxation Office or taxation authorities in other jurisdictions. In these circumstances, the GST or VAT is recognised as part of the cost of acquisition of the assets or as part of an item of expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST or VAT.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST or VAT 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.

(x) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Related Parties

For the purpose of these consolidated financial statements, related party includes a person and entity as defined below:

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (i).

(aa) Government Grants

Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expenses are recognised as income over the periods necessary to match grants to the costs are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the assets on a straight line basis.

(ab) Fair Value

Fair values may be used for financial asset and liability measurement and for sundry disclosures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Group.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Fair Value (continued)

In measuring fair value, the Group uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

(ac) New, Revised or Amending Accounting Standards and Interpretations

(i) The Group has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2020:

- **Amendments to References to the Conceptual Framework in IFRS Standards**

  The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

  The adoption of these amendments has not had a material impact on the Group.

- **Amendments to IFRS 3 Definition of a Business**

  The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

  The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

  The adoption of these amendments has not had a material impact on the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) New, Revised or Amending Accounting Standards and Interpretations (continued)

- **Amendments to IAS 1 and IAS 8 Definition of Material**

  The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

  The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.

  The adoption of these amendments has not had a material impact on the Group

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the IASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out as below. The Group does not plan to adopt these standards early.

- **IFRS 17 Insurance Contracts**

  IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts an supersedes IFRS 4 Insurance Contracts.

  IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

  The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.

  In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

  IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) New, Revised or Amending Accounting Standards and Interpretations (continued)

(ii) New standards and interpretations not yet adopted

- **IFRS 17 Insurance Contracts (Continued)**
  For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. This standard is not applicable to the Group.

- **Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

  The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

  The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

  The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

  The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) New, Revised or Amending Accounting Standards and Interpretations (continued)

(ii) New standards and interpretations not yet adopted (Continued)

- **Amendments to IFRS 3 – Reference to the Conceptual Framework**

  The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

  Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

  The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

  The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

- **Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract**

  The amendments specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

  The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

  The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) New, Revised or Amending Accounting Standards and Interpretations (continued)

(ii) New standards and interpretations not yet adopted (Continued)

- **Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use**

  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

  The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

  The amendments are applied retrospectively, but only to items of property, plant and equipment that are
  brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

  The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

  The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ac) New, Revised or Amending Accounting Standards and Interpretations (continued)

(ii) New standards and interpretations not yet adopted (Continued)

- **Annual Improvements to IFRS Standards 2018–2020**

  The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

  IFRS 1 First-time Adoption of International Financial Reporting Standards

  This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

  IFRS 9 Financial Instruments

  This amendment clarifies that – for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  IFRS 16 Leases

  The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

  IAS 41 Agriculture

  This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

  The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ad) Critical Accounting Judgments, Estimates and Assumptions (continued)

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Goodwill and other intangible assets

The goodwill included in the consolidated financial statements was arise from the acquisition of Marvel Digital Limited. Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit ("CGU") to which goodwill have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. At the end of the reporting year, the carrying amount of goodwill is $Nil (2019: $Nil). Details of the recoverable amount calculations are disclosed in Note 15.

(ii) Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgment. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position. Refer to Note 12 for further details.

(iii) Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortization charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other events. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Please refer to Note 3(e) and 3(k) for further detail.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ad) Critical Accounting Judgments, Estimates and Assumptions (continued)

(iv) Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgment is required in determining the provision for income tax and in assessing whether deferred tax assets and certain deferred tax liabilities are recognized in the consolidated statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, there are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized in the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amounts of recognized deferred tax assets and liabilities may require adjustments, resulting in a corresponding credit or charge to the consolidated statement of profit or loss and comprehensive income.

(v) Capitalized technology development expenditure in intangibles

In determining which technology development expenditure may be capitalized the Group applies judgement to distinguish those costs which have a direct relationship to the criteria for capitalization described in accounting policy Note 3(e), from those which should be expensed in the period incurred. This involves evaluating the nature of work performed by staff as well as universities, educational and professional institutions, third party consultants and contractors, and in many cases includes a judgmental apportionment of costs.

(vi) Impairment of non-financial assets

The Group assesses impairment of all assets (including intangible assets) at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product, technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial period. Refer to Note 3(h) for details regarding the method and assumptions used.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ad) Critical Accounting Judgments, Estimates and Assumptions (continued)

(vii) Fair value of convertible bonds

The fair value of convertible bonds are determined using valuation techniques including reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

(viii) Fair values of derivative financial instruments

The fair values of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. Valuation techniques used include discounted cash flows analysis and models with built-in functions available in externally acquired financial analysis or risk management systems widely used by the industry such as option pricing models. To the extent practical, the models use observable data. In addition, valuation adjustments may be adopted if factors such as credit risk are not considered in the valuation models. Management judgement and estimates are required for the selection of appropriate valuation parameters, assumptions and modeling techniques.

(ix) Valuation of contingent consideration liability

The contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. The fair value of contingent consideration liability was based on an independent valuation which is determined by using the discounted cash flow method on the probability-weighted financial projection of MDL for the period from 1 October 2015 to 30 September 2017 and is under level 3 fair value adjustment which involve significant estimates and judgements from the management. There was no more contingent consideration as at 31 December 2020 and 2019.

4. REVENUE

	Group 2020 $	Group 2019 $
Development, sales and distribution of 3D autostereoscopic products and conversion equipment	1,427,157	1,273,921
Sales of software and technology solutions	-	1,504
Sales of air- filter products	317,472	-
	1,744,629	1,275,425

5. OTHER INCOME

	Group 2020 $	Group 2019 $
Government grant	82,082	789,083
Sundry income	479	18,748
	82,561	807,831

6. FINANCE COSTS

	Group 2020 $	Group 2019 $
Bank overdraft and borrowing interest	37,091	84,920
Interest on finance lease liability	32,526	109,675
Interest on convertible bonds	109,811	1,316,702
Interest on convertible promissory notes	1,692,217	-
Interest on revolving loan	228,627	50,328
	2,100,272	1,561,625

7. LOSS BEFORE INCOME TAX

	Group 2020 $	Group 2019 $
Employee benefits expenses:		
- Wages and salaries	1,482,072	3,352,495
- Defined contribution superannuation plan expenses	83,441	255,708
- Less: Labor cost allocated to development projects	(133,702)	(289,126)
- Executive directors' remuneration	722,157	683,944
- Non-executive directors' remuneration	58,675	31,357
Total employee benefit expenses	2,212,643	4,034,378
Depreciation and amortisation of non-current assets:		
- Leasehold improvements	10,385	44,698
- Office furniture and equipment	179,140	504,447
- Motor vehicle	-	18,757
- Machinery	172,982	-
- Right of use assets	299,981	488,520
- Intangible assets	1,416,274	2,118,362
Total depreciation and amortisation	2,078,762	3,174,784
Other Expenses:		
- Allowances for doubtful debts	58,932	11,052
- Rental expense on operating lease	126,382	637,321
- Provision for inventories obsolescence	(17,671)	799,871
Auditors' remuneration for:		
Audit and review of financial statements:		
- statutory auditor of the Group in Australia	25,000	55,157
- statutory auditor of the Group in USA	76,780	435,899
- auditors of the subsidiaries in Hong Kong and China	-	14,246
- auditors for other reporting purposes	18,822	-
Total auditors' remuneration	120,602	505,302

8. INCOME TAX (EXPENSE) / CREDIT

	Group 2020 $	Group 2019 $
Income tax over provision	-	-
Deferred tax (expense) /credit	-	(117,322)
Income tax (expense) /credit	-	(117,322)

8. INCOME TAX CREDIT / (EXPENSE) (Continued)

(a) The prima-facie tax on loss before income tax is reconciled to the income tax (expense)/ credit as follows:

	Group 2020 $	Group 2019 $
Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax	(10,543,548)	(16,582,877)
Income tax credit / (expense) on profit before income tax at 30%	3,163,064	4,974,863
Difference in overseas tax rates	(148,299)	(3,260,006)
Add / (less) the tax effect of:		
Reversal of overprovision	-	-
Tax losses and temporary differences for the year for which no deferred tax is recognized	(3,014,765)	(1,832,179)
Income tax (expense)/ credit	-	(117,322)

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

	Group 2020 $	Group 2019 $
Balance brought forward	(1,372,653)	(1,244,814)
Accelerated depreciation allowances	-	-
Temporary differences derecognized	-	(117,322)
Release on disposal of subsidiaries	1,380,402	-
Exchange difference	(21,417)	(10,517)
Total	(13,668)	(1,372,653)

(c) Income tax payable in the consolidated statement of financial position represents:

	Group 2020 $	Group 2019 $
Balance brought forward	-	-
Over provision of prior years	-	-
Release on disposal of subsidiaries	-	-
Exchange difference	-	-
Total	-	-

9. DIVIDENDS

No dividends were declared and paid during the financial year for the year ended 31 December 2020 (2019: $Nil).

10. LOSS PER SHARE

	Group 2020 $	Group 2019 $
Loss after income tax attributable to shareholders	(10,034,077)	(15,646,147)
Number of ordinary of shares	6,513,671	3,377,386
Weighted average number of shares on issue	4,311,360	3,377,386
Basic and diluted loss per share	(2.33)	(4.63)

11. INVENTORIES

Inventories consist of the following:

	Group 2020 $	Group 2019 $
Raw materials	296,472	843,686
Finished goods – displays and other products	529,080	789,984
Provision for inventories obsolescence	(638,151)	(884,497)
Total, net of allowance for inventories	187,401	749,173

12. TRADE AND OTHER RECEIVABLES

	Group 2020 $	Group 2019 $
Trade receivables	1,233,709	876,903
Other receivables	1,689	2,390
Amounts due from related companies	-	15,585
	1235,398	894,878
Less: Allowances for doubtful debts	(70,793)	(123,920)
	1,164,605	770,958

(a) Ageing Analysis

The ageing analysis of trade receivables is as follows:

	Group 2020 $	Group 2019 $
Current	-	-
Past due		
< 31 days	711,754	31,495
31 - 90 days	394,384	12,655
> 90 days	127,571	848,338
	1,233,709	892,488
Total	1,233,709	892,488

12. TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade receivables which are past due but not impaired

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of $1,233,709 (2019: $892,488) which are past due at the end of the reporting period for which the Group has made provision for impairment loss with amount of $70,793 (2019 $123,920).

The carrying value of trade receivables is considered reasonable approximation of fair value to the short term nature of the balance.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables in the consolidated financial statements. Refer to Note 31(e) for further details of credit risk management.

The amounts due from the related companies are unsecured, non-interest bearing and repayable on demand.

13. OTHER ASSETS

	Group	
	2020	2019
	$	$
Prepayments	50,382	311,710
Trade deposits	692,026	1,522,976
Other deposits	1,347,360	262,228
GST receivable	129	194,359
	2,089,897	2,291,273

14. PLANT AND EQUIPMENT

Group	Leasehold Improvements $	Office Furniture and Equipment $	Motor Vehicle $	Machinery $	Total $
At 1 January 2019					
Cost	779,133	2,290,643	68,170	-	3,137,946
Accumulated depreciation	(690,656)	(1,710,235)	(7,575)	-	(2,408,466)
Net book amount	88,477	580,408	60,595	-	729,480
Year ended 31 December 2019					
Opening net book amount	88,477	580,408	60,595	-	729,480
Additions	38,866	1,184,162	-	-	1,223,028
Disposals	-	(636,587)	-	-	(636,587)
Transfer to right of use assets	-	-	(41,838)	-	(41,838)
Depreciation expense	(44,698)	(504,447)	(18,757)	-	(567,902)
Exchange difference	1,304	21,632	-	-	22,936
Closing net book amount	83,949	645,168	-	-	729,117
At 31 December 2019					
Cost	826,997	2,888,508	-	-	3,715,505
Accumulated depreciation	(743,048)	(2,243,340)	-	-	(2,986,388)
Net book amount	83,949	645,168	-	-	729,117
Year ended 31 December 2020					
Opening net book amount	83,949	645,168	-	-	729,117
Additions	2,064	7,899	-	7,224,551	7,234,514
Disposals	(80,581)	(203,788)	-	-	(284,369)
Depreciation expense	(10,385)	(172,979)	-	(179,144)	(362,508)
Exchange difference	4,953	(13,674)	-	9,645	924
Closing net book amount	-	262,626	-	7,055,052	7,317,678
At 31 December 2020					
Cost	-	710,621	-	7,224,551	7,935,172
Accumulated depreciation	-	(447,995)	-	(169,499)	(617,494)
	-	262,626	-	7,055,052	7,317,678

15. INTANGIBLE ASSETS AND GOODWILL

Group	Goodwill	Autostereo-scopic 3D Display Technologies and Knowhow	Patents and Trademark	Software and License	Total
	$	$	$	$	$
Cost					
At 1 January 2019	14,421,604	14,710,435	1,288,146	518,165	30,938,350
Additions	-	-	-	7,283	7,283
Exchange difference	157,103	169,887	(4,446)	6,023	328,567
At 31 December 2019	14,578,707	14,880,322	1,283,700	531,471	31,274,200
At 1 January 2020	14,578,707	14,880,322	1,283,700	531,471	31,274,200
Additions	-	446,786	36,688	3,771	487,245
Disposal	(14,578,707)	(8,927,601)	(976,692)	(2,680)	(24,485,680)
Exchange difference	-	(181,683)	(107,168)	(45,698)	(334,549)
At 31 December 2020	-	6,217,824	236,528	486,864	6,941,216
Accumulated Amortisation and Impairment losses					
At 1 January 2019	(9,953,311)	(4,248,763)	(341,868)	(71,241)	(14,615,183)
Amortisation	-	(1,863,639)	(130,221)	(124,502)	(2,118,362)
Provisions for impairment	(4,486,301)	-	-	-	(4,486,301)
Exchange difference	(139,095)	(45,470)	81,598	(584)	(103,551)
At 31 December 2019	(14,578,707)	(6,157,872)	(390,491)	(196,327)	(21,323,397)
At 1 January 2020	(14,578,707)	(6,157,872)	(390,491)	(196,327)	(21,323,397)
Amortisation	-	(1,238,718)	(82,474)	(95,082)	(1,416,274)
Provisions for impairment	-	(3,155,932)	(81,875)	(221,533)	(3,459,340)
Disposal	14,578,707	4,617,299	288,570	-	19,484,576
Exchange difference	-	(282,601)	29,742	26,078	(226,781)
At 31 December 2020	-	(6,217,824)	(236,528)	(486,864)	(6,941,216)
Carrying Amount					
At 31 December 2019	-	8,722,450	893,209	335,144	9,950,803
At 31 December 2020	-	-	-	-	-

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.

15. INTANGIBLE ASSETS AND GOODWILL (Continued)

As at December 31, 2020, based on the results of impairment review and value-in-use assessment, the management considered that the goodwill and intangible assets have suffered an impairment loss and provision of impairment for goodwill of A$4,486,301 has been made in 2019, which then impaired the full value of the goodwill of A$14,578,707.

There was no reclassification of development costs to intangible assets in 2020. In 2019, development projects were reclassified as intangible asset only when the Group can demonstrate the technical feasibility of completing the intangible asset itself 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.

During the year 2020, the Group restructured of certain subsidiaries which had intangible assets. The details of these disposals are listed out in note 27.

16. DEVELOPMENT PROJECTS

	$
At 1 January 2019	
Cost	2,980,113
Accumulated impairment losses	-
Net book amount	2,980,113
Year ended 31 December 2019	
Opening net book amount	2,980,113
Additions	598,649
Reclassification	-
Disposal	(687)
Exchange difference	33,261
Closing net book amount	3,611,336
At 31 December 2019	
Cost	3,611,336
Accumulated impairment losses	-
Net book amount	3,611,336
Year ended 31 December 2020	
Opening net book amount	3,611,336
Additions	125,520
Disposal	(2,864,052)
Written off	(930,356)
Exchange difference	57,552
Closing net book amount	-
At 31 December 2020	
Cost	-
Accumulated impairment losses	-
Net book amount	-

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. The Group had performed an impairment review for the development projects at the reporting period end and management considered that the development projects had suffered impairment loss and have been written off accordingly.

17. TRADE AND OTHER LIABILITIES

	Group 2020 $	Group 2019 $
Trade payables	146,730	109,746
Accruals	385,888	328,071
Other borrowings(i)	211,567	1,761,308
Other payables	2,214,456	1,238,630
Trade deposits received	630,523	900,740
	3,589,164	4,338,495

(i) The loan is unsecured, carry interest at 8% per annual, and repayable on December 31,2020.

18. PROVISION FOR EMPLOYEE BENEFITS

	Group 2020 $	Group 2019 $
Employee benefits	-	64,135

The provision for employee benefits represents the unpaid annual leave provision.

19. AMOUNTS DUE TO RELATED COMPANIES

	Group 2020 $	Group 2019 $
Amounts due to related companies	237,674	6,101,850

As at 31 December 2020, the amounts due to related companies are unsecured, non-interest bearing and repayable on demand.

In 2018, a Group company entered into a loan agreement to borrow $1,664,924 (HK$9,200,000) from a former related company, Oakridge (Hong Kong) Corporation Limited ("Oakridge"), a company owned and controlled by Dr. Herbert Ying Chiu LEE, the then controlling shareholder of the Company. The loan was non-interest bearing, unsecured and repayable on 31 March 2020 after an extension from the previous repayment date of 30 September 2019. During the year 2019, Oakridge advanced to the Group an additional $3,478,140 (HK$19,000,000). These advances were non-interest bearing, non-secured and repayable on 31 March 2020. As at 31 December 2019, the Group owed Oakridge $5,162,292 (HK$28,200,000) in respect of these loans. On 31 March 2020, the terms of the above said unsecured loans of $5,162,292 (HK$28,200,000) was changed to interest bearing at an annual interest rate of 6.0% and the repayment date was extended to 31 March 2021. The loan was removed after disposal of subsidiaries. The details of these disposals are listed out in note 27.

20. AMOUNT DUE TO ULIMATE HOLDING COMPANY

	Group	
	2020	2019
	$	$
Amount due to ultimate holding company	532,718	582,832

In 2018, the Group entered into two loans with Marvel Finance Limited ("MFL") then ultimate holding company, where the Group lend approximately a total of $2,117,349 (HK$11,700,000) to MFL. One loan of $1,085,820 (HK$6,000,000) bears interest at 10% per annum and the second loan of $1,031,529 (HK$5,700,000) bears interests at 5% per annum. Both loans are unsecured and repayable on 30 September 2019. During the year 2019, the Group earned interest income of $115,678 (HK$637,301) from these two loans.

As at 31 December 2020, the amount due to ultimate holding company is unsecured non-interest bearing and repayable on demand.

21. BORROWINGS

	Group	
	2020	2019
	$	$
Bank overdraft, unsecured	-	902,482
Bank borrowings, unsecured	-	915,300
	-	1,817,782

During the year 2020, the Group restructured of certain subsidiaries which had the bank overdraft and bank borrowings. The details of these disposals are listed out in note 27.

22. LEASE LIABILITY

(a) Right of use assets

The carrying amount of the Group's right of use assets and the movements during the year are as follows:

	Group		
	Leased Properties	Motor Vehicle	Total
	$	$	$
As at 1 January 2019	1,106,486	-	1,106,486
Additions	1,267,476	-	1,267,476
Terminations	(825,454)	-	(825,454)
Transfer from plant and equipment (note 14)	-	41,838	41,838
Depreciation expenses	(488,520)	-	(488,520)
Exchange difference	4,998	1,068	6,066
As at 31 December 2019 & 1 January 2020	1,064,986	42,906	1,107,892
Depreciation expenses	(287,557)	(12,427)	(299,984)
Disposal	(862,109)	(3,887)	(865,996)
Exchange difference	84,680	(26,592)	58,088
	-	-	-

Analyzed into:	$
Current portion	-
Non-current portion	-
	-

(b) Lease liabilities

	Group	
	2020	2019
	$	$
Within one year	-	666,868
Two to five years	-	501,739
	-	1,168,607
Less: Amount due within one year shown under current liabilities	-	(666,868)
	-	501,739
Analyzed into:		
Current portion	-	666,868
Non-current portion	-	501,739
	-	1,168,607

23. CONVERTIBLE BONDS

	Group 2020 $	2019 $
Face value of convertible bonds issued on 3 January 2018	-	3,769,470
Equity component	-	(535,948)
Derivatives embedded in the convertible bonds issued (Note 24)	-	(772,112)
Liability component on initial recognition at 1 January 2018	-	2,461,410
Interest accrued but not yet paid for the year ended	-	536,216
Interest accrued at effective interest rate during the year (Note 6)	-	1,316,702
Interest paid during the year	-	(209,392)
Exchange difference	-	315,963
Carrying value as at 31 December 2020	-	4,420,899

On 3 January 2018, the Group entered into the following agreements in connection with the issue of HK$23 million (equivalent to approximately $3.8 million) Convertible Bonds ("Convertible Bonds"): (i) Subscription Agreement between Marvel Digital Limited, a wholly-owned subsidiary of the Company (the "Issuer" or "MDL") and an independent third party entity ("Bondholder") for the Convertible Bonds, (ii) Deed of Guarantee between the Company and the Bondholder to guarantee the payment obligations under the Convertible Bonds and (iii) Put Option Deed between the Company and the Bondholder to repurchase any converted MDL Shares as described below. On the same date, pursuant to the Subscription Agreement, the Convertible Bonds were issued by MDL to the Bondholder as all the terms and conditions in respect of the subscription of the Convertible Bonds were complied with and fulfilled.

Pursuant to the terms of the Convertible Bonds, the Convertible Bonds are convertible in the circumstances set out therein into 75,000 ordinary shares of MDL ("MDL Shares") at a conversion price of HK$306.67 per share, which is equivalent to 20% of the enlarged issued share capital of MDL as of the date of the above Subscription Agreement. The Bondholder will have the right to convert the whole of their Convertible Bonds into ordinary shares of MDL at any time during the period from 3 January 2018 to 2 January 2020. The period may be extended to a further 12 months subject to the mutual agreement among MDL, the Company and Bondholder. Unless previously redeemed or converted, the Convertible Bonds will be redeemed at 100% of their principal amount on the maturity date which is 2 years from the Convertible Bonds issue date.

In connection with the Convertible Bonds, the Company also entered into a Deed of Guarantee to guarantee the due and punctual performance and observance by the Issuer of its payment obligations of the bond principal and interest under the Convertible Bonds until all the guaranteed obligations have been fully satisfied, discharged or paid in full. A Put Option Deed was also entered into between the Company and the Bondholder whereby the Bondholder can exercise an option, during the Put Option Exercise Period as defined in Note 24, to have IMTE repurchase the MDL Shares converted by the Bondholder at the principal amount of the converted Convertible Bonds.

The estimated net proceeds from this bond issue, after deduction of commission and expenses, amount to approximately HK$21.5 million.

23. CONVERTIBLE BONDS (continued)

On 3 January 2020 the Company was not able to pay the Convertible Bonds on the maturity date On or about 17 January 2020, the Company and the Bondholder agreed to a payment schedule of paying HK$13 million or approximately $2.4 million on 17 January 2020, and the remaining HK$10 million or approximately $1.9 million to be paid in 4 equal monthly installments of HK$2.5 million or approximately $475,000. Furthermore, the interest charged on the outstanding Convertible Bonds amount from 3 January 2020 was at 15% per annum.

In 2020, the Group has fully repaid the installments and the accrued interests in full..

24. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2020	2019
	$	$
Derivative financial liabilities		
- Put option liability embedded in the convertible Bonds issued (Note 23)	-	126,095
- Derivatives related to convertible promissory notes (Note 25)	3,790,737	-
- Fair value change in derivative financial instruments during the year	(2,312,197)	(127,551)
- Exchange difference	-	1,456
Carrying value as at 31 December 2020	1,478,540	-

In connection with the Convertible Bonds as disclosed in Note 23, a Put Option Deed was entered into between the Company and the Bondholder in 2018 whereby the Bondholder can exercise an option, during the Put Option Exercise Period (means the period of 7 days commencing from the day immediately after the date falling 2 years from the conversion date of the Convertible Bonds or such other date as agreed by the Company and the Bondholder in writing), to have the Company repurchase a former subsidiary MDL Shares converted by the Bondholder at the principal amount of the converted Convertible Bonds.

As at 31 December 2019, the management has determined that the option was not going to be executed and wrote off this derivative financial instruments to the statement of profit and loss.

In 2020, the Company entered into two convertible promissory notes as disclosed in Note 25. As at 31 December 2020, the derivatives related to these convertible promissory notes were revalued using the weighted average assumptions: volatility 102.3% and 91.80%, the weighted expected term of two years, a discount rate of 4.13% and a dividend yield of 0%.

The Group departed from IFRS 9 for certain disclosures of the note issued 20 January 2020 as not doing so would be misleading to the readers of the consolidated financial statements as it would greatly inflate the activity on the 2020 consolidated statement of activity but have no effect on the consolidated balance sheet or on the net loss of the Group. As such the Group, determined it was appropriate to present the change in fair value of this derivative instrument, net of interest expense recorded at the time of issuance.

25. CONVERTIBLE PROMISSORY NOTES

	Group	
	2020	2019
	$	$
Face value of convertible promissory note issued on 20 January 2020	2,621,360	-
Face value of convertible promissory note issued on 6 August 2020	2 291,740	-
Debt discount	(3,790,737)	-
Liability component on initial recognition	**1,122,363**	-
Interest accrued but not yet paid for the period (Note 6)	1,692,217	-
Interest paid during the period	(185,469)	-
Exchange differences	(433,062)	-
Carrying value as at end of period	**2,196,049**	-

On 20 January 2020, the Company entered into a Convertible Promissory Note Purchase Agreement ("the First CN Agreement"), with an independent third party ("First Noteholder"). Pursuant to First CN Agreement, the First Noteholder purchased from the Company a 10% convertible promissory note (the "First Note") in the principal amount of HK$14 million (equivalent to approximately $2.6 million) maturing in two (2) years from the date of First CN Agreement. The First Noteholder has the right to convert the principal amount to shares in the Company at a fixed conversion price of US$5.00, subject to adjustment, per share over the term of the First Note.

In October 2020, the Company settled the interest accrued of $174,811 by issuing 46,741 shares to the First Noteholder.

On 6 August 2020, the Company entered into a second Convertible Promissory Note Agreement ("the Second CN Agreement") with a third party ("Second Noteholder"). Pursuant to the Second CN Agreement, the holder invested USD 1,650,000 under a convertible note (the "Second Note") without interest, maturing in two years from the date of the Second Note. The Second Noteholder or the Company has the right to convert the principal into ordinary shares of the Company at a conversion price of USD 3.25 per share over the term of the Second Note. The conversion price is subject to downward adjustment and has a floor price of USD 1.50 if the Company sells ordinary shares below the conversion price within 12 months after the date of the Second Note. The Second Note cannot be prepaid. The Second Noteholder agreed to waive piggyback registration rights.

The conversion feature in convertible promissory notes were derivative liability based on the fact the conversion into shares could result in a variable number of shares to be issued.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2020

26. CONTROLLED ENTITIES

As at 31 December, 2020, the entities controlled by the Company are as follows:

Name of Subsidiary	Country of Incorporation	Principal Activities	Paid Up Capital	Percentage Owned 2020	Percentage Owned 2019
CIMC Marketing Pty Ltd	Australia	Management Services & Investment holding	$1	100%	100%
Colour Investment Limited	Hong Kong	Investment holdings	HK$43,043,130	100%	-
Cystar International Limited	Hong Kong	Sales of software and provision of consultancy services	HK$1	100% (Indirect)	95% (Indirect)
Great Gold Investment Limited	Hong Kong	Administrative services	HK$1	100%	-
GOXD International Limited	Hong Kong	Distribution of Digital Picture Frame	HK$56,803,913	80% (Indirect)	-
Smart (Shenzhen) Technology Limited	P.R.C.	Marketing and distribution	RMB 5,000,000	100% (Indirect)	-
Smartglass Limited	Hong Kong	Sales of distribution of switchable glass and consultancy services	HK$8	100%	100%
Sunup Holdings Limited	Hong Kong	Manufacturing of filter plates	US$ 1,290	51%	-
Sunup Korea Limited	Hong Kong	Sale of filter plates and air filter products	US$ 0.13	51% (Indirect)	-
Binario Limited	British Virgin Islands	Investment holding	$1	100%	100%
Cystar International (Shenzhen) Limited	P.R.C.	Dormant	RMB 379,141	100% (Indirect)	-
Digital Media Technology Limited	Malaysia	Dormant	US$100	100% (Indirect)	100% (Indirect)
Greifenberg Capital Limited*	Hong Kong	Dormant	HK$1	60% (Direct)	-

*Acquired after year end

27. BUSINESS COMBINATIONS

(a) Disposal of subsidiaries

During the year ended 31 December 2020, the Group sold 4 subsidiaries including: Marvel Digital Limited, Marvel Display Technology (Shenzhen) Limited, GOXD Technology Limited and GOXD Dongguan Limited. The detail of the net gain / (loss) on the disposals during the year are set out below:

	2020 $	2019 $
Total disposal consideration	25,129	-
Carrying amount of net asset sold (note(i) below)	230,294	-
Gain on sales before income tax and reclassification of foreign currency translation reserve	255,423	-
Reclassification of foreign currency transaction reserve	(26,871)	-
Non-controlling interest	(257,542)	-
(Loss) / gain on disposal after income tax	(28,990)	-

(i) Net assets disposed of:

	2020 $	2019 $
Plant and equipment	284,240	-
Development projects	2,864,052	-
Intangible assets	4,790,784	-
Right of use assets	899,325	-
Cash and bank balances	99,061	-
Inventories	400,806	-
Trade and others receivable	586,955	-
Other deposit and prepayment	1,681,311	-
Trade and other liabilities	(912,580)	-
Amount due to a related company	(6,689,290)	-
Bank overdraft	(929,438)	
Bank loan	(966,747)	
Lease liabilities	(925,042)	-
Deferred tax liabilities	(1,380,402)	-
Obligation under finance lease	(33,329)	-
	(230,294)	-

(ii) Net cash flows from disposal of subsidiaries

	2020 $	2019 $
Consideration received, satisfied in cash	25,129	-
Cash and cash equivalents of subsidiaries disposed of (included cash at bank and bank overdraft)	830,377	-
	855,506	-

27. BUSINESS COMBINATIONS (Continued)

(b) Acquisition of Subsidiaries

On 6 August 2020, Integrated Media Technology Limited acquired 51% of the ordinary shares of Sunup Holdings Limited for the total consideration transferred of $1,945,770 (USD 1,500,000). This is a nano-coat plated filter business and operates in the sales of air-filter products segment of the consolidated entity. The acquired business contributed loss after tax of $177,829 to the consolidated entity for the period from 6 August 2020 to 31 December 2020. The values identified in relation to the acquisition of Sunup Holdings Limited are final as at 31 December 2020.

Details of the acquisition are as follows:

	Fair value
	$
Machinery, plant and equipment	5,084,946
Other assets	1,673
Other payables	(1,271,713)
Net assets acquired	3,814,906
Goodwill arising form the acquisition has been recognized as follow:	
Consideration	1,945,770
Non-controlling interest	1,869,304
Fair value of net asset acquired	(3,814,906)
Written off to other operating expenses	(168)
	-

28. ISSUED CAPITAL

(a) Share Capital

Group	31 December 2020		31 December 2019	
	Number of shares	$	Number of shares	$
Ordinary Shares fully paid	6,513,671	32,089,997	3,377,386	18,902,029

(b) Movements in ordinary share capital

	Number of Shares	$
31 December 2017 and 1 January 2018	2,643,611	10,410,279
Issue of shares during the year 2018	25,275	491,750
Issue of shares for conversion of debt	708,500	8,000,000
31 December, 2018	3,377,386	18,902,029
Issue of shares during the year 2019	-	-
31 December 2019	3,377,386	18,902,029
Issuance of shares for cash	1,643,406	7,121,283
Issue of shares for conversion of debt	988,408	4,122,562
Issuance of shares for services	4,471	23,249
Issuance of shares for acquisition of shares in subsidiary companies	500,000	2,060,000
Legal expenses in respect of issuance of shares	-	(139,126)
31 December, 2020	6,513,671	32,089,997

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.

During the year 2020, the details of shares movements are as below:-

Issuance of shares for cash
On 24 February 2020, the Company issued 158,730 shares at a share price of US$6.30 per share for a total subscription amount of US$1,000,000 (or about $1,514,284). The proceeds from this sale of shares were used for repaying debts and working capital in the Company.

On 12 May 2020, the Company issued 126,984 shares as a result of the exercise of the warrants referred to (d) below.

On 15 September 2020, the Company issued 450,000 shares at a share price of US$3.00 per share for a total subscription amount of US$1,350,000 (or about $1,845,000). The proceeds from this sale of shares were used for the Company's operations and working capital.

On 2 December 2020, the Company issued 600,000 shares at a share price of US$3.00 per share for a total subscription amount of US$1,800,000 (or about $2,442,000). The proceeds from this sale of shares are intended to be used for working capital purposes and development of existing and new business.

28. ISSUED CAPITAL

(b) Movements in ordinary share capital (Continued)

On 21 December 2020, the Company issued 307,692 shares at a share price of US$3.25 per share for a total subscription amount of US$1,000,000 (or about $1,319,999). The proceeds from this sale of shares were intended to be used for the new product design for the filter business.

Issuance of shares on conversion of debt

On 25 July 2020, the Company issued 700,000 shares at a share price of US$3.00 per share for payment of debt totaling HK$16,380,000 (equivalent to about US$2,100,000 or about $2,940,000).

On 6 October 2020, the Company issued 241,667 shares at a share price of US$3.90 per share for payment of debt totaling HK$5,655,000 (equivalent to about $1,007,751).

On 6 October 2020, the Company issued 46,741 shares for US$125,852 (equivalent to about $174,811) in interest payment on the Convertible Notes.

Issuance of shares for services
On 15 September 2020, the Company issued 4,471 shares at a share price of US$3.81 per share for a total payment of US$17,035 (equivalent to aboutA$23,249) for technical support services.

Issuance of shares for acquisition of subsidiary company
On 17 September 2020, the Company issued a total of 500,000 shares at a price of US$3.00 per share for a total payment of US$1,500,000 (equivalent to about $2,060,000) for the acquisition of 51% equity interest in Sunup Holdings Limited.

Subsequent to the year end to the date of this report, the details of shares movement are as below:-

On 28 January 2021, the Company entered into a conditional sale and purchase agreement ("Koala Agreement") to acquire 70% equity interests in Shenzhen Koala Wisdom Fire Engineering Co., Ltd. ("Shenzhen Koala"). Pursuant to the agreement, the vendors will sign up contracts for deployment of IoT Detection System of not less than RMB200,000 within 60 days from the date of the Agreement. IMTE shall purchase 70% equity interests in Shenzhen Koala for US$40,000 ("Initial Consideration") by the issuance of a total of 10,000 shares in the Company. The Company shall also pay a deferred consideration of the profits less the Initial Consideration. The deferred consideration shall be paid by the issuance of shares in the Company (to a maximum number of shares not equal or exceeding 20% of the then issued shares of the Company) at a price equal to 85% of the prior 15 days volume weighted average price (VWAP) of the Company's share price immediately prior to the date of the parties agreeing to the Profits and such date shall not be later than 31 March 2022. Profits is defined as the profits before taxation of Shenzhen Koala for the period from the Completion Date to 31 December 2021 and excluding any relevant gross profits from uncollected sales receipts.

On 2 February 2021, the Company issued 17,744 ordinary shares at a share price of US$3.6125 per share for a total amount of US$64,100 (or about $84,000) for performance remuneration.

On 5 February 2021, the Company issued 2,768 ordinary shares at a share price of US$3.6125 per share for a total amount of US$10,000 (or about $13,000) for provision of accounting and administrative services.

28. ISSUED CAPITAL

(b) Movements in ordinary share capital (Continued)

On 22 February 2021, the Company entered into a Securities Purchase Agreement for the sale of 625,000 shares of the Company to an investor at a price of US$4.00 per share for US$2,500,000 (approximately $3,162,500). The Company intends to use the net cash proceeds for working capital purposes and development of existing and new businesses.

On 8 March 2021, the Company entered into subscription agreements in a private placement with twelve investors outside the United States to subscribe a total of 573,350 shares in the Company at a price of US$4.00 per share for total proceeds of US$2,293,400 (approximately $2,942,900). The use of the proceeds is to build out manufacturing infrastructure and working capital.

On 23 March 2021, the Company entered into a Securities Purchase Agreement for the sale of 708,000 ordinary shares of, no par value, of the Company ("Ordinary Shares") to an accredited investor ("Investor") at a price of US$6.50 per share (the "Cash Offering"). The Cash Offering is for US$4,602,000 (approximately $6,046,000) and will generate net cash proceeds of approximately US$4,577,000 (approximately $6,013,000) after deducting estimated expenses in connection with the offering. The Company intends to use the net cash proceeds for developing its current businesses, corporate expenditures and general corporate purposes.

(c) Convertible Notes

During the year 2020, the details of convertible notes movements are as below:-

On 20 January 2020, the Company entered into a convertible note purchase agreement with CIMB Limited, an independent third party. Pursuant to this agreement the holder of the note can convert this note for 2 years from the date of issuance to maturity on 20 January 2022 at a price of US$5.00 per shares, subject to adjustment, over the term of the note. The Company, at its sole option, may pay interests in ordinary shares based on 75% of the average of the closing price of its ordinary shares for the five trading days prior to each end-of-quarter interest due date. During the year, the Company paid a total of US$125,852 (or equivalent to about $174,811) in interest by issuance of 46,741 shares in the Company.

On 11 August 2020, the Company entered into a convertible note purchase agreement with Nextglass Technologies Inc. Pursuant to this agreement the holder of the note can convert this note for 2 years from the date of issuance to maturity on December 2022 at a price of US$3.0 per shares, subject to adjustment, over the term of the note. This note carries no interest.

(d) Warrants

On 20 February 2020, the Company entered into a Securities Purchase Agreement for the sale of 158,730 ordinary shares of the Company and warrants (“Warrants”) to purchase up to 126,984 ordinary shares. The Warrants were exercisable for the period of 12 months from the date of issuance, at an exercise price of US$10.50 per share. If the volume weighted average price (“VWAP”) of the Company’s ordinary shares on the trading day immediately prior to the exercise date is less than US$10.50, then the Warrants may be exercised at such time by means of a cashless exercise where each Warrant exercised would receive one share without any cash payment to the Company. On 12 May 2020, all the Warrants were exercised by means of a cashless exercise.

28. ISSUED CAPITAL (Continued)

(e) Options

The Company has no share options outstanding at the date of our Annual Report.

In August 2020, an Employee Share Option Plan ("ESOP") was approved and established by the board. The ESOP is available to employee, consultants and eligible persons (as the case may be) of the Company as the board may in its discretion determine. The total number of the shares which may be offered by the Company under the ESOP shall not at any time exceed 5% of the Company's total issued shares when aggregated with the number of shares issued or that may be issued as a result of offers made at any time during the previous 3-year period.

The shares are to be issued at a price determined by the board. The options are to be issued for no consideration. The exercise price, duration and other relevant terms of an option is to be determined by the board at its sole discretion.

In September 2020, the Company approved a plan that is pending shareholder approval to grant options to subscribe up to 261,000 ordinary shares for employees, directors and consultants under the ESOP. The ESOP will be a two-year plan with a vesting schedule that 50% of the shares vest six months after the vesting commencement date and the balance of the shares vest on the first anniversary of the vesting commencement date. The exercise prices will range from US$3.50 to US$3.70 per share. Each option when exercised will entitle the option holder to one ordinary share in the Company. Options will be able to be exercisable on or before an expiry date, will not carry any voting or dividend rights and will not be transferable except on death of the option holder.

29. RESERVES

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

(b) In 2019, The movement in other reserves represents the release of the reserve to accumulated losses as a result of the redemption of the Convertible Bonds.

(c) In 2020, the other reserve represented the following:
- On 25 May 2020, the movement in other reserves represents the release of the reserve to accumulated losses as a result of the disposal of the subsidiaries Marvel Digital Limited ("MDL") (Note 27).
- On 17 September 2020, the Company issued a total of 500,000 shares at a price of US$3.00 per share for a total payment of US$1,500,000 (equivalent to about $2,060,000) for the acquisition of 51% equity interest in Sunup Holdings Limited, of which included the valuation of filter equipment for a total of $2,011,000 attributable to the Company.

30. COMMITMENTS

(a) Non-cancellable operating leases

The Group has entered into a one year commercial lease of total $17,644 (2019:$nil) for rental accommodations.

30. COMMITMENTS (Continued)

(b) License Agreement with Versitech Limited

In September 2015, Versitech Limited ("Versitech") and a former subsidiary Marvel Digital Limited ("MDL") entered into a License Agreement in respect to the sharing of income arising from the intellectual property rights in the video encoding and transmission worldwide. The agreement provided MDL and its affiliates for the term an exclusive and royalty-bearing license under the patent rights owned by Versitech to develop, make, have made, use, sell, offer to sell, lease, import, export or otherwise dispose of licensed product in 3D video encoding and transmission worldwide and with the right to grant sublicense pursuant to the terms of the agreement. MDL shall pay an upfront payment in the amount of HK$100,000 and a running royalty of 3% of net sales ("3% Royalty") on licensed product and licensed process by MDL and its affiliates and sublicensee. Beginning in 2019, the royalty will be the greater of 3% Royalty and HK$200,000 each year. MDL shall also pay Versitech a total of 15% of all sublicense income received by MDL or any of its affiliates. In addition, there are milestone payments payable to Versitech Limited upon the event when cumulative gross revenue arising from the licensed products reaching certain levels with the maximum cumulative total milestone payments of HK$2,000,000. This project was originally derived from an earlier agreement entered into among the Government of the Hong Kong Special Administrative Region, MDL and the University of Hong Kong ("HKU") under the Innovation and Technology Fund University-Industry Collaboration Programme entitled "Content Generation and Processing Technologies for 3D/Multiview Images and Videos". Versitech is a wholly-owned subsidiary and the technology transfer arm of HKU.

During the 2020 year, there were royalty fee of HK$200,000 paid to Veritech (2019:Nil). There were no sublicense fee paid in both years.

(c) Capital commitments

As of 31 December 2020, the Group had internal capital commitments for the investments in two P.R.C. subsidiaries of RMB14,620,859 (approximately $2,901,071) (2019: $1,755,456).

(d) Share Commitments

On 29 April 2019, the Company and Teko International Limited ("Teko") entered into a distribution rights agreement for the territory of Hong Kong and Guangzhou Province, China ("Territories") for a proprietary conductive film and 3rd generation Polymer Dispersed Liquid Crystal ("PDLC") film. Pursuant to the Agreement, the Company shall pay 50,000 IMTE shares upon the commissioning of one (1) lamination line, (ii) for each of the next 3 years after the commissioning of the manufacturing line, IMTE shall pay Teko 50,000 IMTE shares should the annual revenue reach US$10 million or 100,000 IMTE shares should the revenue reach US$20 million, and (iii) 50,000 IMTE shares for each additional lamination line installed. In addition, for managing the operations, the Company will pay to Teko 25% of the net profits from the sale of the PDLC film products and the lamination operations. Mr. Con Unerkov and Mr. Cecil Ho, both the CEO and CFO, respectively of IMTE, are directors and shareholders of Teko.

31. FINANCIAL RISK MANAGEMENT

(a) Financial risk management objectives

The Group is exposed to financial risk through the normal course of their business operations. The key risks impacting the Group's financial instruments are considered to be interest rate risk, foreign currency risk, liquidity risk, credit risk and capital risk. The Group's financial instruments exposed to these risks are cash and short term deposits, receivables, trade payables and borrowings.

The Group's chief executive officer for operations is Dr. Chang Yuen CHAN, who monitors the Group's risks on an ongoing basis and reports to the Board.

(b) Interest rate risk management

The Group is exposed to interest rate risk (primarily on its cash and bank balances, amount due to ultimate holding company, borrowings and obligation under finance lease), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments.

The Group has adopted a policy of ensuring it maintains adequate cash and cash equivalent balances available at call. These accounts currently earn low interests.

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50-basis point increase or decrease represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had increased/decreased by 50 basis points from the weighted average effective rate for the year, with other variables constant, the profit for the year would have been $9,130 lower (2019: $17,889 lower) / $9,130 higher (2019: $17,889 higher).

31. FINANCIAL RISK MANAGEMENT (Continued)

(b) Interest rate risk management (continued)

The following table summarises interest rate risk for the Group, together with effective interest rates as at the reporting date.

2020	Weighted average effective interest rate	Floating interest rate $	Non-interest bearing $	Total $
Financial Assets				
Cash and bank balances	0.39%	2,037,502	156,582	2,194,084
Trade and other receivables		-	1,164,605	1,164,605
Other assets		-	2,089,897	2,089,897
Total Financial Assets		2,037,502	3,411,084	5,448,586
Financial Liabilities				
Trade and other liabilities	8%	211,567	2,747,074	2,958,641
Trade deposits received		-	630,523	630,523
Amount due to related company		-	237,674	237,674
Amount due to ultimate holding company		-	532,718	532,718
Convertible promissory notes	10%	2,196,049	-	2,196,049
Total Financial Liabilities		2,407,616	4,147,989	6,555,605

2019	Weighted average effective interest rate	Floating interest rate $	Non-interest bearing $	Total $
Financial Assets				
Cash and bank balances	0.47%	40,860	694,864	735,724
Trade and other receivables		-	770,958	770,958
Other assets		-	2,291,273	2,291,273
Total Financial Assets		40,860	3,757,096	3,797,955
Financial Liabilities				
Trade and other liabilities		1,761,308	1,676,447	3,437,755
Trade deposits received		-	900,740	900,740
Amount due to related company		-	6,101,850	6,101,850
Amount due to ultimate holding company	3.07%	-	582,832	582,832
Bank overdraft	3.07%	902,482	-	902,482
Bank borrowings	3.07%	915,300	-	915,300
Lease liability	2.5%	39,492	1,129,115	1,168,607
Convertible bond	34.67%	4,420,899	-	4,420,899
Provision for employee benefit		-	64,135	64,135
Total Financial Liabilities		8,039,481	10,455,119	18,494,600

31. FINANCIAL RISK MANAGEMENT (Continued)

(c) Foreign currency risk

The Group has net assets denominated in certain foreign currencies as at 31 December 2020. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts are those reported to key management translated into AUD at the following closing rates, HKD 0.16732, USD 1.29718 and RMB 0.1.18582:

	Short term exposure			Long term exposure		
	HK$	US$	RMB	HK$	US$	RMB
31 December 2019						
- Financial assets	2,508,311	29,989	1,251,139	-	-	-
- Financial liabilities	(16,647,028)	(202,448)	(455,854)	(501,740)	-	-
Total exposure	(14,138,717)	(172,459)	795,285	(501,740)	-	-

	Short term exposure			Long term exposure		
	HK$	US$	RMB	HK$	US$	RMB
31 December 2020						
- Financial assets	1,796,130	3,642,876	194	-	-	-
- Financial liabilities	(1,756,552)	(2,138,262)	-	(1,419,745)	(2,254,844)	-
Total exposure	39,578	1,504,614	194	(1,419,745)	(2,254,844)	-

The following table illustrates the sensitivity of profit / (loss) and equity in regard to the Group's financial assets and financial liabilities and the HKD/AUD exchange rate, USD/AUD exchange rate and RMB/AUD exchange rate and 'all other things being equal'. It assumes a +/- 5% change of the AUD/HKD exchange rate for the year ended at 31 December 2020 (2019: 5%). A +/- 5% change is considered for the AUD/USD exchange rate (2019: 5%). A +/- 10% change is considered for the AUD/RMB exchange rate (2019: 10%). These percentages have been determined based on the average market volatility in exchange rates in the previous twelve 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the AUD had strengthened against the HK$ by 5% (2019: 5%), the USD by 5% (2019: 5%) and the RMB by 10% (2019: 10%) respectively then this would have had the following impact:

	Profit / (Loss) for the year				Equity			
	HK$	US$	RMB	Total	HK$	US$	RMB	Total
31 December 2020	69,008	37,512	(19)	106,501	69,008	37,512	(19)	106,501
31 December 2019	643,219	8,623	(79,529)	572,313	643,219	8,623	(79,529)	572,313

31. FINANCIAL RISK MANAGEMENT (Continued)

(c) Foreign currency risk (continued)

If the AUD had weakened against the HKD by 5% (2019:5%), the USD by 5% (2019: 5%) and the RMB by 10% (2019: 10%) respectively then this would have had the following impact:

	Profit / (Loss) for the year				Equity			
	HK$	US$	RMB	Total	HK$	US$	RMB	Total
31 December 2020	(69,008)	(37,512)	19	(106,501)	(69,008)	(37,512)	19	(106,512)
31 December 2019	(643,219)	(8,623)	79,529	(572,313)	(643,219)	(8,623)	79,529	(572,313)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

(d) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and term deposits, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms or the earliest date on which the Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities and include both interest and principal cash flows.

2020	Carrying amount $	Total contractual undiscounted cash flow $	0 - 30 days or on demand $	31 - 90 days $	91 -365 Days $	Over 1 year $
Trade and other liabilities	2,958,911	2,958,911	2,958,911	-	-	-
Trade deposits received	630,523	630,523	630,523	-	-	-
Amount due to related company	237,674	237,674	-	-	-	237,674
Amount due to ultimate holding company	532,718	532,718	532,718	-	-	-
Convertible promissory note	2,196,049	2,448,048	21,402	61,447	169,150	2,196,049
	6,555,875	6,807,874	4,143,554	61,447	169,150	2,433,723

31. FINANCIAL RISK MANAGEMENT (Continued)

(d) Liquidity risk management (continued)

2019	Carrying amount $	Total contractual undiscounted cash flow $	0 - 30 days or on demand $	31 - 90 days $	91 -365 Days $	Over 1 year $
Trade and other liabilities	3,437,755	3,437,755	3,437,755	-	-	-
Trade deposits received	900,740	900,740	900,740	-	-	-
Amount due to related company	6,101,850	6,101,850	-	-	-	6,101,850
Amount due to ultimate holding company	582,832	582,832	582,832	-	-	-
Bank overdraft	902,482	902,482	902,482	-	-	-
Bank borrowings	915,300	929,625	-	-	929,625	-
Lease liability	1,168,606	1,399,149	1,501	3,004	99,339	1,295,305
Provisions	64,135	64,135	64,135	-	-	-
Convertible Bond	4,420,899	4,420,899	4,420,899			
	18,494,599	18,739,467	10,310,344	3,004	1,028,964	7,397,155

(e) Credit risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Group. The Group's potential concentration of credit risk consists mainly of cash deposits with banks and trade receivables with its customers. The Group's short term cash surpluses are placed with banks that have investment grade ratings. The Group considers the credit standing of counterparties and customers when making deposits and sales, respectively, to manage the credit risk. The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group. Considering the nature of the business at current, the Group believes that the credit risk is not material to the Group's operations.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the end of the reporting period, to financial assets, is represented by the carrying amount of cash and bank balances, trade and other receivables, net of any provisions for doubtful debts, as disclosed in the consolidated statement of financial positions and notes to the consolidated financial statements.

(f) Fair value of financial instruments

The following liabilities are recognised and measured at fair value on a recurring basis:

- Financial derivative instruments

31. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value of financial instruments (continued)

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed are categorised according to the fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recognised fair value measurements

The following table sets out the Group's assets and liabilities that are measured at fair value in the consolidated financial statements.

	Level 2 $
Derivative financial instruments	
- 31 December 2020	1,478,540
- 31 December 2019	-

The Group does not have any assets and liabilities that qualify for the level 1 category. There were no transfers between level 1, 2 and 3 during the year.

An instrument is included in level 2 if the financial instrument is not traded in an active market and if the fair value is determined by using valuation techniques based on the maximum use of observable market data for all significant inputs. For the derivatives, the Group uses the estimated fair value of financial instruments determined by using available market information and appropriate valuation methods, including relevant credit risks. The estimated fair value approximates to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments; and
- binomial options pricing model.

31. FINANCIAL RISK MANAGEMENT (Continued)

(f) Fair value of financial instruments (continued)

The reconciliation of the opening and closing fair value balance of level 2 financial instruments is provided below:

	Put Option
	$
At 1 January 2020	-
Issuance of put option at fair value	3,790,737
Gains included in profit or loss	(2,312,197)
Foreign currency translation	-
At 31 December 2020	1,478,540

Disclosed fair values

The Group also has assets and liabilities which are not measured at fair values but for which fair values are disclosed in the notes to the consolidated financial statements.

Due to their short term nature, the carrying amounts of trade receivables (refer to Note 12) and payables (refer to Note 17) are assumed to approximate their fair values because the impact of discounting is not significant.

(g) Capital management risk

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain a strong capital base sufficient to maintain future development of its business. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debts. The Group's focus has been to raise sufficient funds through equity to fund its business activities.

There were no changes to the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, foreign currency translation reserve and retained earnings as disclosed in Notes 28 and 29 respectively.

32. RELATED PARTIES

(a) Parent and ultimate controlling party

On 12 December 2018, the shareholders of the Company approved the settlement of $8,000,000 debt owed to Marvel Finance Limited ("MFL") by the issuance of 708,500 shares in the Company. As at 31 December 2018, 2019 and 2020, MFL owned 2,201,412 shares, representing approximately 65.18%, 65.18% and 33.80%, respectively in the Company. MFL was the ultimate controlling party of the Group as at 31 December 2018 and 2019. However as at 31 December 2020 and the date of this report, MFL's shareholding in the Company decreased to 33.80% and 26.08% respectively and it is therefore not considered the ultimate controlling party of the Group.

(b) Transactions with directors

During the years ended 31 December 2020 and 2019, the remuneration of directors of the company is as follows:

	Company	
	2020 $	2019 $
Short term benefits	780,832	715,301
Post-employment benefits	-	-
Total	780,832	715,301

(c) Other related party transactions

	Group	
	2020 $	2019 $
Revenue received from related parties [1]	8,490	-
General consultancy and management fee paid to a related party [1]	282,971	571,519
Purchase of products from related parties [1]	29,794	22,588
Interest income earned from the former ultimate holding company [1]	-	115,678
Company Secretarial, taxation service and interim CFO fee paid to a related company [2]	-	40,000
Company Secretarial, taxation service and CFO fee paid to a related company [3]	607,659	523,196
Purchase of products from a related party [4]	274,417	501,062
Sales to a related party [5]	315,034	-

[1] Entities controlled over by former director, Dr. Herbert Ying Chiu LEE. The consultancy and management services transactions are carried at the current market value in the ordinary course of business.
[2] Mr. George Yatzis, former Company Secretary, is a director of the related party.
[3] An entity controlled by Mr. Cecil Ho, Company Secretary and CFO for providing professional services.
[4] An entity controlled by Mr. Zhang Wuhua, our director of the Company. The transactions are carried at the current market value in the ordinary course of business.
[5]The related party is one of the subsidiaries of our shareholder.

During the year, there were no interest income charged to MFL by the Group. For the year ended 31 December 2019, the Group charged MFL interest income for a total of $115,678 charged in relation to 2 loans:

32. RELATED PARTIES (Continued)

(c) Other related party transactions (continued)

A loan of $1,043,442 (HKD5,700,000) to Cystar International Limited (formerly known as Visumotion International Limited). This loan bears interest at 5% per annum, unsecured and payable on 30 September 2019. For the year ended 31 December 2019 the Company accrued interest income of $76,533. This loan was repaid on 30 September 2019; and

In 2018, a former Group company GOXD Technology Limited entered into a loan agreement to lend $1,085,820 (HK$6,000,000) to Marvel Finance Limited, a company owned by the then controlling shareholder of the Company. The loan bears interest at 10% per annum, unsecured and payable on 30 September 2019. The Company accrued interest income of $39,145 during the year ended 31 December 2019. This loan was repaid in 30 September 2019.

During the year 2020, the Company used a 3,000 sq. feet administrative and accounting office in Hong Kong which was the Group was charged US$60,000 for the second half of the year (2019: Nil). This office belongs to the family of Dr. Herbert Ying Chiu Lee. There is no written lease agreement, but a general understanding that there will be a 3 months notice period to vacate this office. The Company moved to another office in January 2021.

(d) Amounts due from / to related companies

(e) Other than the related party balances disclosed in Note 19 and 20, the other related party balances as of 31 December 2020 and 2019 are disclosed:

(i) included in trade and other receivables in Note 12, there were amounts of $14,245 (2019: $15,585) in respect to trade and non-trade in nature respectively and were due from certain related companies in which our former director, Dr. Herbert Ying Chiu LEE has control. The amounts due from the related companies are unsecured, non-interest bearing and repayable on demand;

(ii) included in trade and other liabilities in Note 17, there was amount of $5,329 (2019: $91,463) in respect to trade in nature and was due to a related company in which our former director, Dr. Herbert Ying Chiu LEE has control. The amount due to the related company is unsecured, non-interest bearing and repayable on demand; and

(iii) included in other assets in Note 13, there was amount of $603,600 in trade deposits (2019: $650,183) in respect to trade in nature and was deposits paid to a related company in which our director, Mr. Michael Wuhua ZHANG has control.

33 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Remuneration

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

	Group	
	2020	2019
	$	$
Short term benefits	1,586,604	1,645,794
Post-employment benefits	5,124	7,703
Total	1,591,728	1,653,497

33. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(b) Loans to Key Management Personnel and their related parties

Save as disclosed in Note 32(d), there were no other loans outstanding at the reporting date to Key Management Personnel and their related parties.

Other transactions with Key Management Personnel
Several key management persons, or their related parties, held positions in other entities that resulted in them having control or significant influences over the financials or operating policies of these entities. Transactions between related parties are in normal commercial terms and conditions unless otherwise stated in Notes 12, 17, 20 and 32.

(c) Share Options – number of share options held by management

There were no share options held outstanding held by the management.

34. CASH FLOW INFORMATION

	Group	
	2020	2019
	$	$
CASH FLOWS FROM CHANGES IN WORKING CAPITAL		
(Increase) / Decrease in assets:		
Trade and other receivables	(1,016,464)	(137,579)
Inventories	142,608	405,891
Other assets	(1,659,728)	(361,676)
Increase / (Decrease) in liabilities:		
Trade and other liabilities	347,308	1,876,414
NET CASH (OUTFLOWS)/ INFLOWS FROM CHANGES IN WORKING CAPITAL	(2,186,276)	1,783,050

34. CASH FLOW INFORMATION (Continued)

Reconciliation of liabilities arising from financial activities

	Amounts due to related companies $	Other liabilities $	Bank borrowings, net $	Amount due to ultimate holding company $	Convertible promissory notes $	Convertible bonds by a subsidiary $	Lease liabilities $	Derivative embedded in convertible bonds issued $	Issue of shares $	Total $
Beginning balance as at 1 January 2020	6,101,850	1,761,309	915,300	582,832	-	4,420,899	1,168,607	-	-	14,950,797
Cash flows from financing activities	840,509	211,567	-	-	4,913,100	(4,668,195)	(320,851)	-	13,187,968	14,164,098
Non-cash movement:										
Settled by issuing convertible promissory note	-	(1,761,309)	-	-	-	-	-	-	-	(1,761,309)
Fair value change	-	-	-	-	-	-	-	(2,312,197)	-	(2,312,197)
Put option liabilities in convertible bonds issued	-	-	-	-	(3,790,737)	-	-	3,790,737	-	-
Interest	-	-	-	-	1,508,421	-	-	-	-	1,508,421
Disposal of subsidiaries	(6,689,290)	-	(966,747)	-	-	-	(925,042)	-	-	(8,581,079)
Foreign exchange movement	(15,395)	-	51,447	(50,114)	(434,735)	247,296	77,286	-	-	(124,215)
Ending balance as at 31 December 2020	**237,674**	**211,567**	**-**	**532,718**	**2,196,049**	**-**	**-**	**1,478,540**	**13,187,968**	**17,844,516**

34. CASH FLOW INFORMATION (Continued)

Reconciliation of liabilities arising from financial activities

	Amounts due to related companies $	Other liabilities $	Bank borrowings, net $	Amount due to ultimate holding company $	Obligation under finance lease $	Convertible bonds by a subsidiary $	Lease liabilities $	Derivative embedded in convertible bonds issued $	Total $
Beginning balance as at 1 January 2019	2,130,368	-	814,365	172,773	-	3,280,744	1,163,778	126,095	7,688,123
Cash flows from financing activities	3,954,640	2,610,091	90,049	501,343	-	-	(573,010)	-	6,583,113
Non-cash movement:									
Unpaid interest	-	-	-	-	-	1,107,310	109,027	-	1,216,337
Interest	-	-	-	(96,965)	-	-	648	-	(96,317)
Inception of lease	-	-	-	-	-	-	458,990	-	458,990
Fair value change	-	-	-	-	-	-	-	(127,551)	(127,551)
Disposal of plant and equipment	-	(848,782)	-	-	-	-	-	-	(848,782)
Foreign exchange movement	16,842	-	10,886	5,681	-	32,845	9,174	1,456	76,884
Ending balance as at 31 December 2019	**6,101,850**	**1,761,309**	**915,300**	**582,832**	**-**	**4,420,899**	**1,168,607**	**-**	**14,950,797**

35. SEGMENT INFORMATION

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 year ended 31 December 2020 (2019: three), being (1) the development, sale and distribution of autostereoscopic 3D displays, conversion equipment, software and others, (2) Sales of air-filter products, (3) provision of consultancy services and (4) corporate.

For the year ended 31 December 2020	Development, sale and distribution of 3D displays, conversion equipment, software and others	Sales of air-filter products	Consultancy services	Corporate	Total
	$	$	$	$	$
Revenue					
Revenue from operating activities	1,427,157	317,472	-	-	1,744,629
Interest income	6,197	-	-	-	6,197
Fair value change in derivative financial instruments	-	-	-	2,312,197	2,312,197
Other income	82,561	-	-	-	82,561
Segment revenue	**1,515,915**	**317,472**	**-**	**2,312,197**	**4,145,584**
Cost of sales	1,155,006	156,560	-	-	1,311,566
Employee benefit expenses	1,570,626	-	241,914	400,103	2,212,643
Depreciation and amortisation expenses	1,897,243	179,144	2,307	68	2,078,762
Professional and consulting expenses	(116,977)	-	634,186	856,698	1,373,907
Travel and accommodation expenses	24,436	-	2,246	14,213	40,895
Other operating expenses	734,523	1,196	40,476	334,945	1,111,140
Provision for bad debts	58,932	-	-	-	58,932
Provision for inventory obsolescence	(17,671)	-	-	-	(17,671)
(Gain)/Loss disposal of subsidiaries	(22,206,347)	-	-	22,235,337	28,990
Plant and equipment written off	-	-	-	110	110
Provision for impairment loss on intangible assets	3,459,340	-	-	-	3,459,340
Development projects written off	930,356	-	-	-	930,356
Finance costs	408,054	-	-	1,692,218	2,100,272
Segment expenses	**(12,102,479)**	**336,900**	**921,129**	**25,533,692**	**14,689,242**
Segment operating (loss) / profit	**13,618,394**	**(19,428)**	**(921,129)**	**(23,221,495)**	**(10,543,658)**
Segment assets 2020	**2,070,047**	**6,529,732**	**2,337,630**	**2,016,256**	**12,953,665**
Segment liabilities 2020	**5,015,497**	**2,733,041**	**5,888,659**	**(5,589,384)**	**8,047,813**

35. SEGMENT INFORMATION (Continued)

Segment information for the reporting period is as follows:

For the year ended 31 December 2019	Development, sale and distribution of 3D displays, conversion equipment, software and others	Sales and distribution of audio products*	Consultancy services	Corporate	Total
	$	$	$	$	$
Revenue					
Revenue from operating activities	1,275,425	-	-	-	1,275,425
Interest income	115,707	-	-	55	115,762
Fair value change in derivative financial instruments	-	-	-	127,551	127,551
Other income	807,831	-	-	-	807,831
Gain on disposal of plant and equipment	212,195	-	-	-	212,195
Segment revenue	**2,411,158**	**-**	**-**	**127,606**	**2,538,764**
Cost of sales	1,008,821	-	-	-	1,008,821
Employee benefit expenses	3,302,504	-	42,573	689,301	4,034,378
Depreciation and amortisation expenses	3,166,643	-	7,375	766	3,174,784
Professional and consulting expenses	711,172	-	547,018	761,780	2,019,970
Travel and accommodation expenses	174,914	-	51,171	55,810	281,895
Other operating expenses	1,731,000	-	5,544	17,452	1,753,996
Provision for obsolesce inventory	799,871	-	-	-	799,871
Provision for impairment loss of goodwill	-	-	-	4,486,301	4,486,301
Finance costs	1,561,625	-	-	-	1,561,625
Segment expenses	**12,456,550**	**-**	**653,681**	**6,011,410**	**19,121,641**
Segment operating (loss) / profit	**(10,045,392)**	**-**	**(653,681)**	**(5,883,804)**	**(16,582,877)**
Segment assets 2019	**12,498,397**	**-**	**29,716**	**7,418,163**	**19,946,276**
Segment liabilities 2019	**16,209,166**	**-**	**3,004,589**	**653,498**	**19,867,253**

* Discontinued in 2019

35. SEGMENT INFORMATION (Continued)

The geographic information analyses the Group's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

<u>Revenue by geographic location</u>

	Group 2020	2019
	$	$
Hong Kong	1,366,200	1,195,150
China	60,956	80,275
Korea	315,034	-
Others	2,439	-
	1,744,629	1,275,425

<u>Non-current assets by geographic location</u>

	Group 2020	2019
	$	$
Australia	-	-
Hong Kong	262,626	13,136,585
China	2,139,605	1,580,444
Korea	4,915,447	-
	7,317,678	14,717,029

<u>Major customers</u>

For the year ended 31 December 2020, the Group has four individual customers (2019: two) with revenues comprising more than 10% of Group's revenues.

36. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of Comprehensive Income

	Company 2020 $	Company 2019 $
Loss after income tax	2,097,600	1,635,241
Other comprehensive income	-	-
Total comprehensive loss	2,097,600	1,635,241

Statement of Financial Position

	Company 2020 $	Company 2019 $
Total non-current assets	2,382	3
Total current assets	28,456,242	12,521,701
Total assets	28,458,624	12,521,704
Total current liabilities	5,931,676	1,085,124
Total liabilities	5,931,676	1,085,124
Total Assets Less Liabilities	22,526,948	11,436,580
Equity		
Issued capital	32,089,997	18,902,029
Accumulated losses	(9,563,049)	(7,465,449)
Total equity	22,526,948	11,436,580

Guarantees entered into by the parent entity in relation to the debts of its subsidiary

The parent entity is not party to a deed of cross guarantee with any of its subsidiaries.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2020 and 31 December 2019.

Capital commitments – plant and equipment
The parent entity has no capital commitments for plant and equipment as at 31 December 2020 and 31 December 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 3, except for;

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of impairment.

37. PRIOR YEAR RECALSSIFICATION

Certain comparative figures have been reclassified to conform with the current year's presentation of the financial statements.

38. EVENTS OCCURRING AFTER THE REPORTING DATE

Save as disclosed below, there is no other matter or circumstance arisen since 31 December 2020, 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 financial years.

2021

(a) As announced in the Form 6K on 10 February 2021, on 5 February 2021, the Company's wholly owned subsidiary company CIMC Marketing Pty Ltd. ("CIMC") entered into an Underwriting Agreement ("Agreement") with Xped Limited ("Xped") (now known as Oakridge International Limited), a company listed on the Australian Securities Exchange. Pursuant to the Agreement, CIMC will underwrite for 500 million shares for any shortfall of acceptance from other shareholders ("Shortfall Shares") in Xped's rights issue announced on 25 January 2021 at the subscription price of $0.001 per share. The total commitment by CIMC is $500,000 or equivalent to approximately US$381,000. CIMC shall receive $25,000 (approximately $19,050) as an underwriter fee. As announced in the Form 6K on 1 March 2021, the Company took up the shortfall of acceptance of 500 million shares at a price of $0.001 per share, representing approximately 15% of the total outstanding shares in Xped. The Company subsequently in 2022 disposed of this investment for $275,000 and realized a loss of $225,000.

(b) In February 2021, the Company (i) issued 17,744 ordinary shares at a share price of US$3.6125 per share for a total of US$64,100 (or about $84,106) to employees for performance remuneration and (ii) issued 2,768 ordinary shares at a share price of US$3.6125 per share for a total of US$10,000 (or about $13,176) to a consultant for provision of accounting and administrative services.

(c) As announced in the Form 6K on 22 February 2021, the Company entered into a Securities Purchase Agreement for the sale of 625,000 shares of the Company at a price of US$4.00 per share for US$2,500,000 (approximately $3,162,500). The Company intended to use the net cash proceeds for working capital purposes and development of existing and new businesses.

(d) As announced in the Form 6K on 8 March 2021, the Company entered into subscription agreements in a private placement with investors to subscribe a total of 573,350 shares in the Company at a price of US$4.00 per share for total proceeds of US$2,293,400 (approximately $2,942,900). The use of the proceeds is to build out of manufacturing infrastructure and working capital.

(e) As announced in the Form 6K on 23 March 2021, the Company entered into a Securities Purchase Agreement for the sale of 708,000 shares of the Company at a price of US$6.50 per share for total proceeds of US$4,602,000 and net cash proceeds of approximately US$4,577,000 after deducting expenses in connection with the offering. The Company intended to use the net cash proceeds for developing its businesses, corporate expenditures and general corporate purposes.

38. EVENTS OCCURRING AFTER THE REPORTING DATE (Continued)

(f) As announced in the Form 6K on 6 July 2021, the Company entered into Securities Purchase Agreements ("SPA") for the total sale of 888,887 shares of the Company at a price of US$3.15 per share for a total proceeds of US$2,800,000 and net cash proceeds of approximately US$2,765,000 after deducting expenses in connection with the offering. The Company intended to use the net cash proceeds for the purchase of equipment for the Company's electronic glass business and working capital.

(g) As announced in Form 6K on 30 December 2021, the Company entered into an Assignment and Assumption Agreement to take over the rights and obligation on a Cooperation Agreement on developing a Blockchain business focusing on digital asset market platform mainly focusing on NFT (Non Fungible Token) trading market. Under the Cooperation Agreement, the Group may invest up to US$1 million for 60% equity interests in Ace Corporation Limited ("Ace") to develop, establish, and operate a trading platform called "Ouction". The development, marketing and operating team will receive the 40% of the equity interest in Ace. The Company will pay a deferred payment based on future earnings of Ace and a bonus payment if Ace is listed on a recognized exchange in the next 5 years.

2022

(h) As announced in the Form 6K on 3 January 2022, the Company entered into convertible note purchase agreements with individual investors outside the United States raising a total of US$10 million by the issuance of US$10 million convertible notes ("Note"). The Note bears interests at 6% per annum maturing in 2 years from the date of issuance of the Note. The holder of the Note has the right to convert the principal amount to shares in the Company at a fixed conversion price of US$3.12 per share, subject to adjustment, over the term of the Note. Under the Note, the holder of the Note cannot convert the shares in the Company if such conversion would take the noteholder over 4.99% shareholding in the Company. In January 2022, the noteholders converted all the notes into 3,205,128 shares in the Company.

In addition, the noteholder also received a warrant representing 80% of the amount of the Note, raising an additional US$8 million if all the warrants are exercised. The warrants are for a term of 2 years from the date of the convertible notes and can be exercised at US$3.74 for each share. None of the warrants were exercised from inception to January 2024 when all the warrants expired.

(i) On 19 January 2022, the Company issued 664,871 ordinary shares as a result of the conversion of HK$14 million convertible promissory note dated January 20, 2020.

(j) As announced in Form 6K on 20 January 2022, the Company entered into a subscription agreement to subscribe US$1 million for 60% equity interests in World Integrated Supply Ecosystem Sdn Bhd ("WISE"). WISE, a Malaysia company based in Kuala Lumpur, is engaged in the business of the provision of Halal certification to qualified businesses/operations, the establishment Halal products supply chain, and sale of Halal products.

(k) As announced in Form 6K on 17 March 2022, the Company approved the fund raising of share placement of up to US$20 million, depending on market conditions.

38. EVENTS OCCURRING AFTER THE REPORTING DATE (Continued)

(l) In March 2022, the Company issued 698,888 shares at a share price of US$4.50 per share for a total subscription amount of US$3,145,000 (or about $4,242,861). The proceeds from this sale of shares were used for the expansion of the lamination plant in USA, air filter operation, investment in new projects and working capital.

(m) On 13 April 2022, the Company issued 507,692 ordinary shares as a result of the conversion of US$1.65 million convertible promissory note dated 6 August 2020.

(n) In April 2022, the Company issued 732,900 shares at a share price of US$4.50 per share for a total subscription amount of US$3,298,060 (or about $4,422,963). The proceeds from this sale of shares were used for the expansion of the lamination plant in USA, air filter operation, investment in new projects and working capital.

(o) On June 29, 2022, the Company issued 646,173 shares at a share price of US$4.50 per share for a total subscription amount of US$2,907,786 (or about $4,219,510). The proceeds from this sale of shares were used for the company's operation and working capital.

(p) As announced in Form 6K on 12 July 2022, on 11 July 2022, the Company entered into the Sales and Purchase Agreement ("SP Agreement") with Capital Stone Holdings Limited ("Purchaser"), a corporation incorporated in British Virgin Islands, pursuant to which the Company has conditionally agreed to sell to the Purchaser 100% equity interest in eGlass Technologies Ltd ("eGlass"), a wholly-owned subsidiary of the Company holding all the assets of our switchable glass business in China (the "Disposal") for US$6.8 million ("Consideration").

The Purchaser shall pay the Consideration by issuance to IMTE a debt instrument ("Loan Agreement") which bears interests of 5% per annum, repayable in 2 years and secured against the shares of eGlass.

The Purchaser has the intention to list eGlass on the Australia Securities Exchange ("ASX") within the next 2 years. Pursuant to the SP Agreement, the Purchaser has the right to pay the Loan by giving IMTE the number of shares in eGlass calculated by dividing the amount of outstanding loan by 10% discount to the then 5 days volume weighted average closing price ("VWAP") provided that such price shall not be greater than the 120% of the IPO Price. Alternatively, the Company has the right to have the Purchaser pay the Loan by transferring to IMTE the number of shares in eGlass calculated by dividing the amount of outstanding loan by the IPO Price. Any outstanding loan which could not be fully repaid by the eGlass shares above will be settled by cash.

As at the date of this report, the loan is still outstanding.

38. EVENTS OCCURRING AFTER THE REPORTING DATE (Continued)

(q) In connection with the transaction described in (p) above, on and around 11 July 2022, IMTE announced it was raising up to US$10 million to fund the eGlass operation. IMTE entered into Subscription Agreements ("Subscription Agreements") for US$5.2 million where each Subscriber subscribed to a convertible note ("CPNote"). The CPNote is interest free, unsecured and convertible into eGlass shares on the date eGlass receives notice from ASX that it will be admitted to the official list of ASX, at a conversion price equal to 25% discount to the IPO Price.

However, if by the first anniversary of the date of the Agreement, eGlass has not received notice from ASX that it will be admitted to the official list of ASX, all CPNotes will convert to IMTE shares based on then 30-day VWAP multiplied by 90% per Note.

In addition, each Subscriber shall receive warrants ("Warrant") equal to the amount of the CPNote. Each Warrant can subscribe, provided that eGlass is listed on the ASX, for one share in eGlass at the IPO Price for a period of one year after the IPO. The Warrants are assignable and transferable prior to the IPO. If eGlass is not listed on the ASX, the Warrants will automatically expire.

In November and December 2023, all of the CPNotes were converted into eGlass shares, except for US$600,000 of CPNotes which were converted into 240,000 shares in the Company at a conversion price of US$2.50* per share (* post share consolidation on October 16, 2023).

(r) As announced in Form 6K on 2 August 2022, on July 29, 2022, the Company approved the fund raising of US$3.2 million for the development of Halal projects, air filter operation and working capital. In this connection, on August 2, 2022, the Company entered into private placing agreements with 4 investors outside the United States to subscribe a total of 2,539,682 shares in the Company at a price of US$1.26 per share for a total raise of US$3.2 million.

In addition, the investor will also receive a warrant representing 100% of the subscription amount, raising an additional US$3.2 million if all the warrants are exercised. The warrants are for a term of 2 years from the date of the Agreement and can be exercised at US$1.26 for each share.

None of the warrants were exercised from inception to August 2024 when all the warrants expired.

(s) In August 2022, the Company issued 952,381 shares at a share price of US$1.26 per share for a total subscription amount of US$1,200,000 (or about A$1,723,809). The proceeds from this sale of shares were used for the company's operation and working capital.

(t) As announced in Form S-8 on 17 August 2022, the Company filed in accordance with the requirements under the Securities Act of 1933, as amended, in order to register 2,200,000 ordinary shares, no par value per share, issuable pursuant to the Integrated Media Technology Limited 2021 Employee Share Option Plan adopted by the Board of Directors of the Company.

(u) In September 2022, the Company issued 1,587,301 shares at a share price of US$1.26 per share for a total subscription amount of US$2,000,000 (or about A$2,904,761). The proceeds from this sale of shares were used for the Company's operation and working capital.

38. EVENTS OCCURRING AFTER THE REPORTING DATE (Continued)

<u>2023</u>

(v) In February 2023, the Company issued 163,053 ordinary shares at a share price of US$0.65 for a total of US$105,984 to consultants.

(w) In May 2023, the Company issued 19,230 ordinary shares at a share price of US$0.65 per share and 479,167 ordinary shares at a share price of US$0.48 per share for a total share issuance amount of US$230,000 to consultants.

(x) In June and July 2023, the Company issued 99,999 shares at a share price of US$0.30 per share for a total subscription amount of US$30,000. The proceeds from this sale of shares were used for the working capital.

(y) On July 21, 2023 the Company completed a conditional sale and purchase agreement ("Sale and Purchase Agreement") to acquire 100% equity interests in Teko Energy Pty Ltd (now named as Itana Energy Pty Ltd "IEPL") and its 50% subsidiary Admiral Energy Corporation Pty Ltd. ("AEC") for US$750,000 which was paid by the issuance of a total of 3,000,000 ordinary shares, representing a share issuance of US$0.25 per share, in the Company. IEPL is an investment holding company and its 50% subsidiary AEC is in the business of marketing, promoting and distributing new energy products including new energy storage solutions, new energy charging stations and new energy vehicles under the brand "Admiral Energy" in the territories of Australia, New Zealand, China (including Hong Kong, Taiwan and Macau), South Korea, Japan, Vietnam, Cambodia, Thailand, Malaysia, Indonesia, Singapore, Laos, Myanmar, and the Philippines.

(z) In August 2023, the Company issued 33,333 ordinary shares at a share price of US$0.30 for a total of US$10,000 to consultants.

(aa) In September 2023, the Company issued 166,666 shares at a share price of US$0.30 per share for a total subscription amount of US$50,000. The proceeds from this sale of shares were used for working capital.

(ab) On October 16, 2023, we effected a 1-for-10 share consolidation of our Ordinary Shares, which was approved at a special meeting of our shareholders on September 29, 2023. This reduced the number of outstanding shares of our common stock from 21,486,202 shares to 2,148,501 shares, after adjusting for fractional shares.

From this section onwards, * means post share consolidation of 10 shares for 1 share effective from October 16, 2023.

(ac) On October 24, 2023, the Company entered into convertible note purchase agreements with Nextglass Solutions, Inc raising a total of US$15 million by the issuance of US$15 million convertible notes ("NSI Note"). The NSI Note is interest free maturing in 2 years from the date of issuance of the NSI Note. The holder of the NSI Note has the right to convert the principal amount to shares in the Company at a fixed conversion price of US$1.42* per share, subject to adjustment, over the term of the NSI Note. Under the NSI Note, the holder of the NSI Note cannot convert the shares in the Company if such conversion would take the noteholder over 19.99% shareholding in the Company.

38. EVENTS OCCURRING AFTER THE REPORTING DATE (Continued)

(ad) In November 2023, the Company issued 114,116* ordinary shares at a share price of US$2.00* for a total of US$228,232 to consultants and repayment of debts.

(ae) In November 2023, the Company issued 45,000* shares at a share price of US$2.00* per share for a total subscription amount of US$90,000. The proceeds from this sale of shares were used for the working capital.

(af) In November 2023, a noteholder converted US$600,000 of the CPNotes at a conversion price of US$2.50* per share into 240,000* shares of the Company. The CPNotes were issued in July 2022 in relation to the subscription agreement where the noteholder could convert into the Company's shares or eGlass Technology Limited's shares as described above.

(ag) In December 2023, the Company issued 562,817* shares at a share price of US$2.50* per share for a total subscription amount of US$1,407,043. The proceeds from this sale of shares were used for the working capital.

2024

(ah) In January 2024, the Company issued 21,000* ordinary shares at a share price of US$2.50* for a total subscription amount of US$52,500. The proceeds from this sale of shares were used for the Company's operation and working capital.

(ai) On July 22, 2024, the Company issued $350,000 convertible note ("2407 Note"). The 2407 Note bears interest at 6% per annum maturing 2 years from the date of issuance of the 2407 Note. The holder of the 2407 Note has the right to convert the principal amount to shares in the Company at a fixed conversion price of US$1.25* per share, subject to adjustment, over the term of the 2407 Note. The holder of the 2407 Note cannot convert the shares in the Company if such conversion would take the noteholder over 19.99% shareholding in the Company.

In addition, the noteholder also received a warrant representing 150% of the amount of the 2407 Note, raising an additional US$525,000 if all the warrants are exercised. The warrants are for a term of 2 years from the date of the 2407 Note and can be exercised at US$1.30* for each share. Under the warrant agreement, the warrant holder cannot exercise the warrant to subscribe for shares in the Company if such exercise would take the warrant holder over 19.99% shareholding in the Company. The use of the proceeds from this fund raise was for working capital. As at the date of this report, none of the 2407 Note were converted and none of the warrants were exercised.

(aj) On July 26, 2024, the Group entered into an Exclusive Distribution Agreement for the distribution and sale of the smartglass products used in or installed in the Prefabrication Home Market. The distributor would maintain the exclusive distribution by achieving certain annual sales. The agreement is for 3 years with a renewal for 5 years under certain conditions.

* Post-share consolidation of 10 shares for 1 share on October 16, 2023

39 COMPANY DETAILS

The registered office and principal place of business is Suite 1401, Level 14, 217-227 Elizabeth Street, Sydney, NSW 2000 Australia.

Directors' Declaration

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 9 to 81 are in accordance with the Corporations Act 2001, including:

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

  (ii) giving a true and fair view of the Group's financial position and performance as at 31 December 2020; 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; and

(c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3;

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

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

Byron Zhiyun TAN
Director

6 December 2024

MOORE

Moore Australia

VICTORIA
Level 44, 600 Bourke Street
Melbourne VIC 3000
T +61 3 9608 0100

Level 3, 237 Ryrie Street
Geelong VIC 3220
T +61 3 5215 6800

TASMANIA
161 St John Street
Launceston TAS 7250
T +61 3 6334 0500

victoria@moore-australia.com.au
www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INTEGRATED MEDIA TECHNOLOGY LTD

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Integrated Media Technology Ltd (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The Company's property, plant, and equipment are recorded at $7,317,678 in the statement of financial position. Australian Accounting Standards require these assets to be carried at their recoverable amount, being the higher of fair value less costs of disposal or value in use. We were unable to obtain sufficient appropriate audit evidence to support the recoverable amount of property, plant, and equipment as at 31 December 2020. The valuation of these assets is subject to significant estimation uncertainty, and the Company did not provide adequate documentation or alternative evidence for us to assess whether the carrying amount is impaired.

As a result, we were unable to determine whether any adjustment to the carrying value of property, plant, and equipment was necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $10,543,658 during the year ended 31 December 2020 (2019:$16,700,199 loss). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the fact that the financial report for the year ended 31 December 2020 has been signed and authorised for issue by the directors on 06 December 2024, which is approximately 4 years after the end of the reporting period. This delay in finalising and approving the financial report may affect the relevance of the financial information presented, as it may not reflect the current financial position and performance of the Company.

Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the directors' report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: (https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Andrew Johnson
Partner – Audit and Assurance
Moore Australia Audit (VIC)
Melbourne, Victoria
06 December 2024

Moore Australia

Moore Australia Audit (VIC)
ABN 16 847 721 257
Chartered Accountants

MOORE

Moore Australia

VICTORIA
Level 44, 600 Bourke Street
Melbourne VIC 3000
T +61 3 9608 0100

Level 3, 237 Ryrie Street
Geelong VIC 3220
T +61 3 5215 6800

TASMANIA
161 St John Street
Launceston TAS 7250
T +61 3 6334 0500

victoria@moore-australia.com.au
www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF INTEGRATED MEDIA TECHNOLOGY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

ANDREW JOHNSON
Partner – Audit and Assurance
Moore Australia Audit (VIC)
Melbourne, Victoria
06 December 2024

Moore Australia

Moore Australia Audit (VIC)
ABN 16 847 721 257
Chartered Accountants