

EOR GROUP LIMITED

ABN 67 097 771 581

**HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A**

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2019

Appendix 4D

Half Year Report for the six months to 31 December 2019

Name of entity. **EOR GROUP LIMITED**

ABN or equivalent company reference: 67 097 771 581

1. Reporting period

Report for the half year ended: 31 December 2019

Previous corresponding periods: Half- year ended 31 December 2018

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	down	1N/A%	to	Nil
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	up/ down	67%	to	(429,977)
Net loss for the period attributable to members (<i>item 2.3</i>)	up/ down	67%	to	(429,977)
Dividends (<i>item 2.4</i>)		Amount per security		Franked amount per security
Interim dividend		0¢		0¢
Final dividend		0¢		0¢
Previous corresponding period		0¢		0¢
Record date for determining entitlements to the dividend (<i>item 2.5</i>)				N/A
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
N/A				

3. Net tangible assets per security (*item 3*)

	Current period	Previous corresponding period*
Net tangible asset backing per ordinary security	0.56¢	(7.30¢)

** The comparative calculation has been adjusted for the share consolidation of 1 share for every 175 (rounded down) held on 2 August 2019, to reflect a like for like comparison.

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)	Nil	
Date(s) of gain of control (item 4.2)	N/A	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)		\$ -
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)		\$ -

Loss of control of entities

Name of entities (item 4.1)	Nil	
Date(s) of loss of control (item 4.2)	N/A	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).		\$ -
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)		\$ -

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2018	N/A	\$0
Final dividend year ended 30 June 2019	N/A	\$0

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	\$0	\$0
Preference securities <i>(each class separately)</i>	\$0	\$0
Other equity instruments <i>(each class separately)</i>	\$0	\$0
Total	\$0	\$0

6. Details of dividend or distribution reinvestment plans in operation are described below *(item 6):*

N/A

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	%Securities held
Nil	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2019 \$	2018 \$
Profit (loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Net profit (loss) from ordinary activities after tax	-	-
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	-	-

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).

9. Independent review of the financial report *(item 9)*

10. Matters relating to a qualified independent review statement

A description of the dispute or qualification in respect of the independent review of the half-year financial report is provided below *(item 17)*

N/A

EOR GROUP LIMITED
ABN: 67 097 771 581

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2019**

This half-year financial report is to be read in
conjunction with the financial report for the year
ended 30 June 2019

EOR GROUP LIMITED
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2019

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EOR GROUP LIMITED

ABN: 67 097 771 581

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of EOR Group Limited (the "Company") for the half-year ended 31 December 2019 and independent auditor's review report thereon.

Directors Names

The names of the directors in office at any time during or since the end of the half-year are:

Name	Period of directorship
Siew Hong Koh	Appointed 11 November 2008
Wayne Johnson (Chairman)	Appointed 15 May 2019
Gary Lim	Appointed 15 May 2019

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Review of Operations

The loss of the company for the half-year amounted to \$427,977; being a 6% increase from the corresponding period of \$403,156. The expenses have been almost exclusively incurred in the refinancing and seeking of opportunities for the Company. The Company has been focussed on maintaining stability, paying and negotiating with creditors and seeking a future for shareholders.

During the period the company upgraded its Constitution and continued to review various parts of its Corporate Governance.

As part of a restructuring plan to reduce the overall debts, the Company continued to negotiate and enter into Deeds of Settlement with "Consultant" creditors of the Company. During October 2019 the Company placed 510,000 shares at \$0.10 per share, raising \$51,000 and settled \$87,972 in current and existing creditors through the issue of 879,720 shares at \$0.10 per share.

In late December 2019 the Company also converted the last \$50,000 of the Convertible Notes for iFree Group Ventures Ltd into equity. Also, at this time EOR Group settled a further \$311,500 in creditors, also at a price of \$0.10 per share and the Company issued 2,650,390 ordinary shares to members of the Union Group of Companies and associates to settle an outstanding loan of \$265,039. These companies are associated with Siew Hong (SH) Koh, a director. These share issues were in settlement of loans made by Mr Koh at a time at which the company was facing financial strain. The issues of shares were approved by shareholders in November 2019. The Board thanks SH for his support during those tough times.

EOR GROUP LIMITED

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Review of Operations(cont'd)

There are no outstanding options.

As at 31 December 2019, the issued securities of the Company consist of:

Shares quoted on ASX (EOR)	2,341,586
Unquoted shares (EORAI) potentially subject to ASX escrow conditions	18,826,582

Total issued shares	21,168,168

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise specified.

Auditor's Declaration

A copy of the auditor's declaration, as required under section 307C of the *Corporations Act 2001*, in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the directors.



Wayne Johnson
Director

Dated this 17th day of February 2020



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AUDITOR'S INDEPENDENCE DECLARATION EOR GROUP LIMITED

In relation to the independent auditor's review for the half-year ended 31 December 2019, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "Mark Godlewski".

MARK GODLEWSKI
Partner

PITCHER PARTNERS

Sydney

17 February 2020

EOR GROUP LIMITED

ABN: 67 097 771 581

**CONDENSED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Half-year	
	2019	2018
	\$	\$
Revenue		
Other revenue	-	2,414
	-	2,414
Less: Expenses		
Corporate and Temporary Staff Costs	(76,486)	(153,366)
Property and Occupancy	(19,800)	(40,000)
IT & Telecommunication	(1,000)	(490)
Finance costs	(152)	(121)
Corporate and listing costs	(37,828)	(66,497)
Insurance	(1,545)	(1,474)
Travel and accommodation	(25,894)	(17,768)
Professional fees	(263,022)	(125,794)
Other expenses	(4,250)	(60)
	(429,977)	(405,570)
Loss before income tax expense from operations	(429,977)	(403,156)
Income tax expense		-
Loss for the half year from operations	(429,977)	(403,156)
Other comprehensive income after income tax expense	-	-
Total comprehensive income attributable to the members of EOR Group Limited	(429,977)	(403,156)
Basic earnings per share *	(3.8¢)	(6.64¢)
Diluted earnings per share *	(3.8¢)	(6.64¢)

* The comparative calculation has been adjusted for the share consolidation of 1 share for every 175 (rounded down) held on 2 August 2019.

The accompanying notes form part of these condensed consolidated financial statements.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	31 Dec 2019 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents		241,138	358,800
Receivables		-	-
Other current assets		-	-
TOTAL CURRENT ASSETS		<u>241,138</u>	<u>358,800</u>
NON-CURRENT ASSETS			
Other financial assets		-	-
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>241,138</u>	<u>358,800</u>
CURRENT LIABILITIES			
Trade, other payables and accruals		(122,510)	(521,018)
Borrowings		-	(373,089)
TOTAL CURRENT LIABILITIES		<u>(122,510)</u>	<u>(894,107)</u>
TOTAL LIABILITIES		<u>(122,510)</u>	<u>(894,107)</u>
NET ASSETS/(LIABILITIES)		<u>118,628</u>	<u>(535,307)</u>
EQUITY			
Contributed capital	6	15,308,382	13,924,471
Convertible notes		-	300,000
Accumulated losses		(15,189,754)	(14,759,777)
TOTAL EQUITY		<u>118,628</u>	<u>(535,307)</u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

Company	Contributed equity \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2018	13,560,407	(14,277,488)	(717,081)
Loss for the period	-	(403,156)	(403,156)
Total comprehensive income for the half year	-	(403,156)	(403,156)
Transactions with owners in their capacity as owners:			
Ordinary shares issued net of costs	238,885	-	238,885
	238,885	-	238,885
Balance as at 31 December 2018	13,799,292	(14,680,644)	(881,352)

Company	Contributed equity including convertible notes \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2019	14,224,471	(14,759,777)	(535,306)
Loss for the period		(429,977)	(429,977)
Total comprehensive income for the half year		(429,977)	(429,977)
Transactions with owners in their capacity as owners			
Ordinary shares issued net of costs	1,083,911		1,083,911
	1,083,911		1,083,911
Balance as at 31 December 2019	15,308,382	(15,189,754)	118,628

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	2019	Half-year	2018
	\$		\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers	-		-
Payments to suppliers and employees	(168,509)		(242,362)
Interest received	-		7
Borrowing costs	(153)		(128)
Net cash provided by (used in) operating activities	<u>(168,662)</u>		<u>(242,483)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sales of investments	-		-
Net cash provided by (used in) investing activities	<u>-</u>		<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from shares issued net of costs	51,000		118,885
Proceeds from Converting Notes issued and loans net of costs	-		128,050
Repayment of borrowings	-		(4,961)
Net cash provided by (used in) financing activities	<u>51,000</u>		<u>241,974</u>
Net increase (decrease) in cash and cash equivalents	(117,662)		(509)
Cash and cash equivalents at beginning of half-year	358,800		553
Cash and cash equivalents at end of the half-year	<u>241,138</u>		<u>44</u>

The accompanying notes form part of these condensed financial statements.

EOR GROUP LIMITED

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NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by EOR Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

This general purpose half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The same accounting policies and method of computation have been followed in this interim financial report as were applied in the most recent annual financial report.

NOTE 2: GOING CONCERN

The half-year financial statements have been prepared on a going concern basis.

The company has in the half-year to 31 December 2019:

- a) raised in total \$51,000 through the issue of 510,000 fully paid ordinary shares – (EORAI shares).
- b) Settled \$399,470 in existing and new creditor payments through the issue of 3,994,720 shares at \$0.10 (EORAI shares).
- c) Converted 50,000 Convertible Notes into 500,000 ordinary shares (EORAI shares).
- d) Settled the long-term loans from the Union Group of Companies into 2,650,390 ordinary shares (EORAI shares).

All shares issued during the reporting period by the Company are not quoted and potentially subject to ASX imposed escrow conditions.

The Company expects to raise up to \$350,000 through a placement to fund corporate costs and the costs of due diligence on opportunities.

On 4 February 2020, the Company received approval to issue a Notice of Meeting that would allow the Company, if approved by shareholders, to seek to raise \$750,000 through the issue of 5,000,000 shares at a price of 15 cents per share; and to settle two further outstanding liabilities.

The Company would on successful due diligence require funds to finalise a transaction and the re-compliance to Chapters 1 & 2 of the listing rules and working capital.

It should be noted that the Company's ability to continue as a going concern is dependent on the ability to raise funds as required to meet its obligations, including re-listing of the company.

FOR GROUP LIMITED

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NOTE 3: JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2019.

NOTE 4: DIVIDENDS

	Half-year	
	2019	2018
	\$	\$
Dividends provided for or paid during the half-year:		
Ordinary Shares	-	-
Proposed dividends not recognised at the end of the half-year	-	-

NOTE 5: SEGMENT INFORMATION

The Company is in transition to a change in its business direction. Until the transition is completed, the Company operates predominantly within Australia.

As a result, the Company operated as a single operating segment during the half-year and detailed disclosures per segment are not required (2018- no business segments).

NOTE 6: CONTRIBUTED CAPITAL

Movements in shares on issue

	2019	
	No of Shares	\$
Beginning of the financial period	1,282,980,146	13,924,471
Consolidation of shares 1 for 175 shares (individual holdings rounded down)	(1,275,649,088)	-
Issued during the period	13,337,110	1,333,911
Conversion of convertible notes	500,000	50,000
End of the financial period	<u>21,168,168</u>	<u>15,308,382</u>

NOTE 7: CHANGES IN THE COMPOSITION OF THE ENTITY

There has been no change to the composition of the entity.

EOR GROUP LIMITED

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NOTE 8: FAIR VALUE MEASUREMENT

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities

	31 December 2019		30 June 2019	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Financial assets				
Cash and cash equivalents	241,138	241,138	358,800	358,800
Receivables	-	-	-	-
Other financial assets	-	-	-	-
Financial liabilities				
Trade and other payables	122,510	122,510	422,117	422,117
Borrowings	-	-	373,089	373,089

NOTE 9: RELATED PARTY DISCLOSURES

Transactions with key management personnel of the company and their personally-related entities for the half year ended 31 December 2019:

Siew Hong Koh, non-Executive Director did not provide any management services for the half year and was not paid any fees (2018: \$Nil). Loans to the amount of \$265,039 (2018 \$265,039) from entities related to Mr Koh were settled for 2,650,390 ordinary shares following shareholder approval.

Wayne Johnson did not provide any consulting services for the half year and was not paid any fees (2018: N/A). Entities associated with Mr Johnson were reimbursed for a limited amount of travel expenses of \$9,608 (2018 \$Nil).

Gary Lim did not provide any consulting services for the half year and was not paid any fees (2018: N/A).

NOTE 10: EVENTS AFTER BALANCE DATE

During January 2020 the Company has been involved in negotiations to place up to \$350,000 to facilitate the ability to seek further opportunities, engage in due diligence and if appropriate, begin the necessary regulatory work to seek relisting with the Australian Stock Exchange.

During February 2020, the Company received approval to issue a Notice of Meeting that would allow the Company, if approved by shareholders, to seek to raise \$750,000 through the issue of 5,000,000 shares at a price of 15 cents per share; and to settle two further outstanding liabilities.

NOTE 11: ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise specified.

EOR GROUP LIMITED

ABN: 67 097 771 581

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 6 to 12 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the company as at 31 December 2019 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that EOR Group Limited will be able to pay its debts as and when they become due and payable.

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



Wayne Johnson

Director

Sydney

Date: 17 February 2020

**EOR GROUP LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF EOR GROUP LIMITED****REPORT ON THE HALF-YEAR FINANCIAL REPORT**

We have reviewed the accompanying half-year financial report of EOR Group Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of EOR Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of EOR Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to the half-year financial report which indicates that the company incurred a loss for the half-year ended 31 December 2019 of \$429,977 and, as at 31 December 2019, the company had net assets of \$118,628. In Note 2 it is stated that the company's ability to continue as a going concern is dependent on the ability of the company to raise funds as required to meet its obligations, including relisting on the Australian Securities Exchange.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore, realise its assets and discharge its liabilities in the normal course of business.



Mark Godlewski
Partner



PITCHER PARTNERS
Sydney

19 February 2020