

NFM GROUP LIMITED
(Company No.: 1883475)
(Incorporated in British Virgin Island)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM
1 JANUARY 2018 TO 30 JUNE 2018

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2018 TO 30 JUNE 2018

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K.H. Chong & Co. (AF1258)
CHARTERED ACCOUNTANTS

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE PERIOD
FROM 1 JANUARY 2018 TO 30 JUNE 2018**

TO THE BOARD OF DIRECTORS OF NFM GROUP LIMITED

Introduction

We have reviewed the interim financial statements of **NFM GROUP LIMITED**, which comprise the consolidated statement of financial position as at 30 June 2018 of the Group, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the six-months period ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.

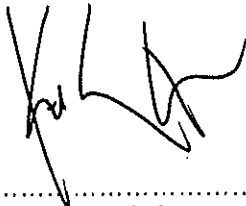
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards.

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE PERIOD
FROM 1 JANUARY 2018 TO 30 JUNE 2018 (continued)**

Other Matter

This report is made solely to the board of directors of the Group, as a body and for no other purpose in accordance with the term of the letter of engagement. This report is solely for the purpose of the directors of the Group and it is not to be circulated to any other party. We do not assume responsibility towards any other person for the contents of this report.



.....
K. H. Chong & Co.
Firm No: AF 1258
Chartered Accountants



.....
Chong Kean Huat
Approval No. 2032/06/2020 (J)
Partner of the firm

Petaling Jaya

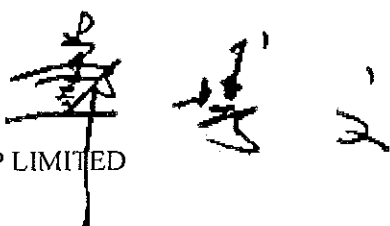
NFM GROUP LIMITED

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STATEMENT OF THE DIRECTOR

I, Zheng Bowen, the director of NFM Group Limited, state that, in my opinion, the accompanying interim consolidated financial statements are drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the state of affairs of the Group as at 30 June 2018 the results, change in equity and cash flows of the Group for the 6 months period ended on that date.

Zheng Bowen
Director
NFM GROUP LIMITED

A handwritten signature in black ink, consisting of stylized Chinese characters, positioned to the right of the printed name and title.

NFM GROUP LIMITED

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>30.6.2018</u>	<u>31.12.2017</u>
	AUD	AUD
Revenue	-	826,655
Cost of sales	<u>(12,750)</u>	<u>(119,560)</u>
Gross (loss)/profit	(12,750)	707,095
Other income	-	3,495
Administrative expenses	(401,175)	(821,674)
Finance cost	<u>(452)</u>	<u>(565)</u>
Loss before tax	(414,377)	(111,649)
Taxation	<u>-</u>	<u>-</u>
Net loss for the period/year	(414,377)	(111,649)
Other comprehensive income for the period/year	<u>(169,536)</u>	<u>-</u>
Total comprehensive loss for the period/year, net of tax	<u>(583,913)</u>	<u>(111,649)</u>
Total comprehensive loss attributable to:		
Owners of the parent	(537,443)	(111,649)
Non-controlling interests	<u>(46,470)</u>	<u>-</u>
	<u>(583,913)</u>	<u>(111,649)</u>

The accompanying notes form an integral part of the financial statements.

NFM GROUP LIMITED

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STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>30.6.2018</u> AUD	<u>31.12.2017</u> AUD
CURRENT ASSETS			
Trade and other receivables	5	3,985,939	4,003,963
Cash and bank balances	6	32,171	25,307
Tax assets		<u>3,469</u>	<u>-</u>
TOTAL CURRENT ASSETS		4,021,579	4,029,270
NON-CURRENT ASSET			
Plant and equipment		<u>9,422</u>	<u>12,137</u>
TOTAL ASSETS		<u>4,031,001</u>	<u>4,041,407</u>
CURRENT LIABILITIES			
Trade and other payables	7	834,868	2,221,667
Amount owing to related parties	10	1,994,092	-
Tax liabilities		<u>-</u>	<u>33,786</u>
TOTAL CURRENT LIABILITIES		<u>2,828,960</u>	<u>2,255,453</u>
NET ASSETS		<u>1,202,041</u>	<u>1,785,954</u>
EQUITY			
Contributed equity	8	2,032,082	2,032,082
Reserves		(154,610)	14,926
Accumulated losses		<u>(628,961)</u>	<u>(261,054)</u>
Equity attributable to owners of the Company		1,248,511	1,785,954
Non-controlling interest		<u>(46,470)</u>	<u>-</u>
TOTAL EQUITY		<u>1,202,041</u>	<u>1,785,954</u>

The accompanying notes form an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY

	Contributed equity AUD	Accumulated losses AUD	Translation reserve AUD	Non- controlling interests AUD	Total AUD
Balance as of 1 January 2017	2,032,082	(149,405)	14,926	-	1,897,603
Loss for the year	-	(111,649)	-	-	(111,649)
Other comprehensive					
Foreign currency					
translation differences	-	-	-	-	-
Balance as of 31 December 2017	<u>2,032,082</u>	<u>(261,054)</u>	<u>14,926</u>	<u>-</u>	<u>1,785,954</u>
Loss for the period	-	(367,907)	-	(46,470)	(414,377)
Other comprehensive					
Foreign currency					
translation differences	-	-	(169,536)	-	(169,536)
Balance as of 30 June 2018	<u>2,032,082</u>	<u>(628,961)</u>	<u>(154,610)</u>	<u>(46,470)</u>	<u>1,202,041</u>

The accompanying notes form an integral part of the financial statements.

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CASH FLOW STATEMENTS

	<u>30.6.2018</u> AUD	<u>31.12.2017</u> AUD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(414,377)	(111,649)
Adjustments for:		
Depreciation of property, plant and equipment	2,715	75,853
Property, plant and equipment written off	<u>-</u>	<u>408,022</u>
Operating (Loss)/Profit Before Changes in Working Capital	(411,662)	372,226
Decrease/(Increase) in:		
Trade and other receivables	18,024	6,267,916
(Increase)/Decrease in:		
Trade and payables	(1,386,799)	(6,838,052)
Amount owing to related parties	<u>1,994,092</u>	<u>-</u>
Cash from/(used in) operations	213,655	(197,910)
Tax paid	<u>(37,255)</u>	<u>(66,183)</u>
Net cash from/(used in) operating activities	<u>176,400</u>	<u>(264,093)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	176,400	(264,093)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	25,307	289,400
Effect of exchange rate differences	<u>(169,536)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	<u><u>32,171</u></u>	<u><u>25,307</u></u>

The accompanying notes form an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

This financial report includes the interim financial statements and notes of NFM Group Limited (the Group) which registered in British Virgin Island.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim financial statements of the Group for the period from 1 January 2018 to 30 June 2018 have been prepared in accordance with International Financial Reporting Standards, IFRS 134: Interim Financial Reporting.

The interim financial statements of the Group are intended to provide directors with an update on the annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant change occurring during the interim period within the Group. It is therefore recommended that the interim financial statements be read in conjunction with the annual financial statements of the Group for period ended 31 December 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The same accounting policies and methods of recognition and measurement have been followed in the interim financial statements as were applied in the most recent annual financial statements of the Group.

The directors anticipate that the adoption of the new or amended Accounting Standards are not expected to be relevant or have material impact on the financial statements of the Group in the period of initial application

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NOTES TO THE FINANCIAL STATEMENTS

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management is of the opinion that there are no instances of application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Managements believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

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NOTES TO THE FINANCIAL STATEMENTS

4. SUBSEQUENT EVENT

No matter or circumstance has arisen since the end of the financial period which significantly affected or may affect the operations of the Group, the results of those operations, or the state of affair of the Group.

5. TRADE AND OTHER RECEIVABLES

	<u>30.6.2018</u>	<u>31.12.2017</u>
	AUD	AUD
Trade receivables	3,213,000	3,150,983
Other receivables	<u>772,939</u>	<u>852,980</u>
	<u>3,985,939</u>	<u>4,003,963</u>

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2017: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of trade receivables of the Group is as follows:

Ageing of past due but not impaired trade receivables:

	<u>30.6.2018</u>	<u>31.12.2017</u>
	AUD	AUD
Neither past due nor impaired	-	2,582,018
Past due but not impaired:		
1 to 30 days	-	320,025
31 to 60 days	2,886,600	230,181
More than 60 days	<u>326,400</u>	<u>18,759</u>
Total	<u>3,213,000</u>	<u>3,150,983</u>

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

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Trade receivables that are past due but not impaired

The Group has trade receivables amounting to AUD3,213,000 (2017: AUD568,965) that are past due at the reporting date but not impaired. The Directors and management are confident that the outstanding amounts are recoverable as these accounts are still active and have not defaulted on payments based on historical trends.

6. **CASH AND CASH EQUIVALENTS**

	<u>30.6.2018</u>	<u>31.12.2017</u>
	AUD	AUD
Cash and bank balances	<u>32,171</u>	<u>25,307</u>

7. **TRADE AND OTHER PAYABLES**

	<u>30.6.2018</u>	<u>31.12.2017</u>
	AUD	AUD
Trade payables	71,721	62,192
Other payables	763,147	2,029,294
Accruals	<u>-</u>	<u>130,181</u>
	<u>834,868</u>	<u>2,221,667</u>

Trade and other payables are generally short-term in nature or repayable on demand and their carrying amounts will approximate to the remaining contractual undiscounted cash flows.

Trade and other payable are non-interest bearing and the normal trade credit terms granted to the Group is 90 days (2017: 90 days) from the date of invoices.

8. **CONTRIBUTED EQUITY**

	<u>30.6.2018</u>	<u>31.12.2017</u>
	AUD	AUD
Authorised:		
8,000,000 (2017: 8,000,000) fully paid ordinary shares	<u>2,032,082</u>	<u>2,032,082</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENTS IN SUBSIDIARIES

Details of the subsidiaries under the Group as at the end of the reporting period are as follows:

Direct subsidiaries	Principal activities	Place of incorporation	Proportion of ownership interest	
			2018	2017
News Focus Company Limited (HK)#	Provision of media and advertisement services to clients.	Hong Kong	100%	100%
Shanghai News Focus Investment Company Limited^	Investment holding company	People's Republic of China	100%	100%
Beijing News Focus Culture Development Company Limited^	Provision of media and advertisement services to clients.	People's Republic of China	100%	100%
Chuangshi Zhihui (Beijing) Culture Development Company Limited^	Dormant	People's Republic of China	51%	51%
Jiumao Technology (Beijing) Company Limited^	Dormant	People's Republic of China	80%	-

Company is dormant. No statutory audit is required under Hong Kong Companies Ordinance.

^ Company is dormant. No statutory audit is required under Company Law of the People's Republic of China.

During the financial period, Beijing New Focus Culture Development Company Limited ("BNF") had on 13 April 2018 subscribed for 80% ordinary share of RMB1.00 each of Jiumao Technology (Beijing) Company Limited. The newly incorporated subsidiary company was incorporated People's Republic of China.

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Amount owing to related parties, represents expenses paid on behalf and unsecured advances, is interest-free and repayable on demand.

Related parties refer to entity in which certain Directors and/or substantial shareholders of the Company or of its subsidiary companies or persons connected to such Directors and/or substantial shareholders, have interests.

10. RELATED PARTIES TRANSACTIONS

Forms of Director's remuneration charged to profit or loss for the financial year are as follows:

	The Group	
	30.06.2018	31.12.2017
	AUD	AUD
Salaries and other emoluments:		
Executive director	<u>7,453</u>	<u>14,083</u>

10. COMMITMENTS & CONTINGENCIES

The Group has no contingent assets or liabilities that should be disclosed in accordance with IFRS.

11. SEGMENT INFORMATION

The directors have considered the requirements of IFRS and the internal reports that are received by the Board in allocating resources and have concluded at this time that there are no separately identifiable segments. This decision has been made specifically in the light of the reduced size and scope of the Group's operations given the restructure of the Group including its abandoned and discontinued operations as disclosed throughout the report.