

NFM GROUP LIMITED
(Company No.: 1883475)
ACN/ARBN: 608 029 125
(Incorporated in British Virgin Island)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM
1 JANUARY 2017 TO 30 JUNE 2017

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

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K.H. Chong & Co. (AF 1258)
CHARTERED ACCOUNTANTS

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE PERIOD
FROM 1 JANUARY 2017 TO 30 JUNE 2017**

TO THE BOARD OF DIRECTORS OF NFM GROUP LIMITED

Introduction

We have reviewed the financial statements of **NFM GROUP LIMITED**, which comprise the consolidated statement of financial position as at 30 June 2017 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.



K.H. Chong & Co. (AF 1258)
CHARTERED ACCOUNTANTS

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE PERIOD
FROM 1 JANUARY 2017 TO 30 JUNE 2017 (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. 2032/06/18 (J)
Partner of the firm

Petaling Jaya

Date : **08 SEP 2017**

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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 31 December 2016 the results, change in equity and cash flows of the Group for the 12 months period ended on that date.



Zheng Bowen
Director
NFM GROUP LIMITED

8 SEPTEMBER 2017

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	<u>30.6.2017</u>	<u>31.12.2016</u>
		\$	\$
Revenue	3	25,285	5,583,646
Cost of sales		<u>(48,537)</u>	<u>(175,890)</u>
Gross (loss)/ profit		(23,252)	5,407,756
Other income		3,491	2,316
Administrative expenses		(444,618)	(5,341,772)
Finance cost		<u>(221)</u>	<u>(1,222)</u>
(Loss)/ profit before tax		(464,600)	67,078
Taxation		<u>-</u>	<u>-</u>
Net (loss)/ profit for the year		<u><u>(464,600)</u></u>	<u><u>67,078</u></u>
Other comprehensive income/ (loss)			
Foreign currency translation differences		<u>633,025</u>	<u>(11,121)</u>
Other comprehensive income/ (loss) for the year, net of tax		<u>633,025</u>	<u>(11,121)</u>
Total comprehensive income for the year, net of tax		<u><u>168,425</u></u>	<u><u>55,957</u></u>

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

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>30.6.2017</u>	<u>31.12.2016</u>
		\$	\$
CURRENT ASSETS			
Trade and other receivables	4	3,455,879	10,271,879
Cash and cash equivalents	5	38,168	289,400
Tax assets		8,492	-
TOTAL CURRENT ASSETS		3,502,539	10,561,279
NON-CURRENT ASSET			
Plant and equipment		16,108	496,012
TOTAL ASSETS		3,518,647	11,057,291
CURRENT LIABILITIES			
Trade and other payables	6	2,718,669	9,059,719
Tax liabilities		-	99,969
TOTAL CURRENT LIABILITIES		2,718,669	9,159,688
NET ASSETS		799,978	1,897,603
EQUITY			
Contributed equity	7	2,032,082	2,032,082
Reserves		(618,099)	14,926
Accumulated losses		(614,005)	(149,405)
TOTAL EQUITY		799,978	1,897,603

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

STATEMENT OF CHANGES IN EQUITY

	Contributed Equity \$	Accumulated Losses \$	Reserve \$	Total \$
Balance as of 31 December 2015	1,585,515	(205,362)	3,805	1,383,958
Loss for the year	-	55,957	-	55,957
Other comprehensive				
Foreign currency translation differences	-	-	11,121	-
Total Comprehensive income for the year	-	55,957	11,121	67,078
Transaction with owners in their capacity as owners				
Contribution of equity, net of transaction cost	446,567	-	-	446,567
Balance as of 31 December 2016	2,032,082	(149,405)	14,926	1,897,603
Loss for the period	-	(464,600)	-	(464,600)
Other comprehensive				
Foreign currency translation differences	-	-	(633,025)	(633,025)
Total Comprehensive income for the year	-	(614,005)	(618,099)	799,978
Transaction with owners in their capacity as owners				
Contribution of equity, net of transaction cost	-	-	-	-
Balance as of 30 June 2017	2,032,082	(614,005)	(618,099)	799,978

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

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

CASH FLOW STATEMENT

	<u>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,182,975	2,315,492
Payments to suppliers and employees	(6,325,525)	(5,667,772)
Interest paid	(221)	(1,564)
Income tax paid	(108,461)	(96,190)
Net cash used in operating activities	<u>(251,232)</u>	<u>(3,450,034)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital contribution by shareholders	<u>-</u>	<u>446,567</u>
Net cash from financing activities	<u>-</u>	<u>446,567</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(251,232)	(3,003,467)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	289,400	3,281,746
Effects of exchange rate	<u>-</u>	<u>11,121</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>38,168</u></u>	<u><u>289,400</u></u>

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

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

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 POLICY

a. Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards. Significant material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities as issued by the International Accounting Standards Board.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

c. Foreign currency translation

Functional and presentation currency

Items included in the financial statement are measured in Chinese Yuan, the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

d. Revenue Recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Rendering of services

Revenue is recognised when the services are performed where the risks and rewards of ownership have passed. Sales represent gross invoiced values of air tickets and tour packages sold less returns and discounts.

e. Trade and other receivables

Trade receivables for the activities which generally have 30 to 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Non-current trade and other receivables are discounted to their present value based on market rates of interest.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An allowance for Impairment is recognised when there is objective evidence that the Group will not be able to collect the Receivable. Financial difficulties of the debtor, default payments or overdue debts are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective Interest rate.

f. Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost.

Borrowing costs

Borrowing costs are expensed as incurred (using effective interest rate method), except where they are directly attributable to the acquisition or construction of a qualifying asset, in which case they are capitalised as part of the asset, the Group does not have any qualifying assets in the reporting period.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of 3 months or less.

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

i. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where comprehensive income, in which case transaction costs are expensed to the statement of profit or loss and other comprehensive income immediately.

NFM GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

i. Financial Instruments (con't)

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition, less principal repayments, plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method, and less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through the statement of profit or loss and other comprehensive income when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the statement of profit or loss and other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.

NFM GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

i. Financial Instruments (con't)

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

Available for sale financial assets

Available for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other available-for-sale financial assets are classified as Current assets.)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss and other comprehensive income - is removed from equity and recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in the statement of profit or loss and other comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of profit or loss and other comprehensive income.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

j. Trade and other payables

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

k. Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

l. Property, plant and equipment

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these 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 cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

l. Property, plant and equipment (con't)

The depreciation rates used for each class of depreciable assets are:

Electrical and Electronic equipment	20-33%
All other equipment	20-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

m. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the statement of comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the statement of comprehensive income when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. IND deferred income tax will be recognised from the initial recognition of an asset or liability excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

m. Income tax (con't)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

n. Other taxes

Revenues expenses and assets are recognised net of the amount of VAT except where the amount of VAT incurred is not recoverable from the tax office.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax office are presented as operating cash flows included in receipts from customers or payments to suppliers.

o. 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 business are not included in the cost of the acquisition as part of the purchase consideration.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY (CON'T)

p. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has not identified any critical accounting policies for which significant judgements, estimates and assumptions are made.

q. New Accounting Standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2016 reporting period. the Group 's assessment of the impact of these new standards and interpretations is that they will result in no significant changes to the amount recognised or matters disclosed in the Group's financial statements.

r. Critical accounting estimates and judgements

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial positions are tested for sensitivity to changes in the underlying parameters. There are no 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.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

2. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may s affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

3. REVENUE

	<u>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
Service rendered	<u>25,285</u>	<u>5,583,646</u>

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

4. TRADE AND OTHER RECEIVABLES

	<u>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
Trade receivables	2,188,507	9,221,339
Other receivables	<u>1,267,372</u>	<u>1,050,540</u>
	<u>3,455,879</u>	<u>10,271,879</u>

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2016: 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>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
Neither past due nor impaired	1,810,181	6,764,320
Past due but not impaired:		
1 to 30 days	357,276	1,271,189
31 to 60 days	21,050	761,471
More than 60 days	<u>-</u>	<u>424,359</u>
Total	<u>2,188,507</u>	<u>9,221,339</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 year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$378,326 (2015: \$2,457,019) 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.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTES TO THE FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

	<u>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
Cash and bank balances	<u>38,168</u>	<u>289,400</u>

6. TRADE AND OTHER PAYABLES

	<u>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
Trade payables	2,657,642	7,381,334
Other payables	61,027	1,527,918
Accruals	<u>-</u>	<u>150,467</u>
	<u>2,718,669</u>	<u>9,095,719</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 (2016: 90 days) from the date of invoices.

7. CONTRIBUTED EQUITY

	<u>30.6.2017</u>	<u>31.12.2016</u>
	\$	\$
Authorised:		
500,000,000 (2016:5,000,000) 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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8. 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	
			2016	2015
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%

9. COMMITMENTS & CONTINGENCIES

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

10. 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.