

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 2019 TO 30 JUNE 2019

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

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

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION FOR THE PERIOD  
FROM 1 JANUARY 2019 TO 30 JUNE 2019**

**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 2019 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.

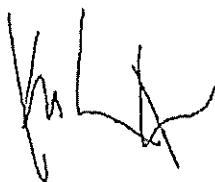
**Conclusion**

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 2019 TO 30 JUNE 2019 (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

Date : 28 SEP 2019

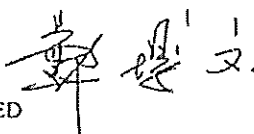
NFM GROUP LIMITED

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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 2019 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

Handwritten signature of Zheng Bowen in black ink, consisting of stylized Chinese characters.

NFM GROUP LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR FROM 1 JANUARY 2019 TO 30 JUNE 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	30.6.2019 \$	30.6.2018 \$
Revenue		7,906	-
Cost of sales		<u>(8,554)</u>	<u>(12,750)</u>
Gross loss		(648)	(12,750)
Other income		6,521	-
Administrative expenses		(112,045)	(401,175)
Finance cost		<u>(388)</u>	<u>(452)</u>
Loss before tax		(106,560)	(414,377)
Taxation		<u>-</u>	<u>-</u>
Net loss for the period/year		<u>(106,560)</u>	<u>(414,377)</u>
Other comprehensive loss			
Foreign currency translation differences		<u>9,034</u>	<u>-</u>
Other comprehensive income for the period, net of tax		<u>9,034</u>	<u>-</u>
Total comprehensive loss for the period, net of tax		<u>(97,526)</u>	<u>(414,377)</u>
Net loss for the period/year attributable to:			
Owners of the parent		(98,219)	(367,907)
Non-controlling interests		<u>(8,341)</u>	<u>(46,470)</u>
		<u>(106,560)</u>	<u>(414,377)</u>
Total comprehensive loss attributable to:			
Owners of the parent		(89,238)	(367,907)
Non-controlling interests		<u>(8,288)</u>	<u>(46,470)</u>
		<u>(97,526)</u>	<u>(414,377)</u>

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

NFM GROUP LIMITED

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FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

STATEMENT OF FINANCIAL POSITION

	<u>Note</u>	<u>30.6.2019</u> \$	<u>31.12.2018</u> \$
CURRENT ASSETS			
Trade and other receivables	5	4,499,906	4,993,513
Inventories	6	124,480	123,688
Cash and cash equivalents	7	<u>21,774</u>	<u>33,726</u>
TOTAL CURRENT ASSETS		4,646,160	5,150,927
NON-CURRENT ASSET	8		
Plant and equipment		<u>5,160</u>	<u>6,510</u>
TOTAL ASSETS		<u>4,651,320</u>	<u>5,157,437</u>
CURRENT LIABILITIES			
Trade and other payables	9	<u>3,050,490</u>	<u>3,459,081</u>
TOTAL CURRENT LIABILITIES		<u>3,050,490</u>	<u>3,459,081</u>
NET ASSETS		<u>1,600,830</u>	<u>1,698,356</u>
EQUITY			
Contributed equity	10	2,032,082	2,032,082
Reserves		(90,113)	(99,094)
Accumulated losses		<u>(332,900)</u>	<u>(234,681)</u>
Equity attributable to owners of the Company		1,609,069	1,698,307
Non-controlling interest		<u>(8,239)</u>	<u>49</u>
TOTAL EQUITY		<u>1,600,830</u>	<u>1,698,356</u>

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

NFM GROUP LIMITED

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STATEMENT OF CHANGES IN EQUITY

	Contributed Equity \$	Accumulated Losses \$	Reserve \$	Non- controlling interests \$	Total \$
Balance as of 1 January 2018	2,032,082	(261,054)	14,926	-	1,785,954
Acquisition during the year	-	-	-	39,166	39,166
Profit/(Loss) for the year	-	26,373	-	(9,857)	16,516
Foreign currency translation differences	-	-	(114,020)	(29,260)	(143,280)
Total Comprehensive income/(loss) for the year	-	26,373	(114,020)	(39,117)	(126,764)
Balance as of 31 December 2018	<u>2,032,082</u>	<u>(234,681)</u>	<u>(99,094)</u>	<u>49</u>	<u>1,698,356</u>
Loss for the period	-	(98,219)	-	(8,341)	(106,560)
Foreign currency translation differences	-	-	8,981	53	9,034
Total Comprehensive (loss)/income for the period	-	(98,219)	8,981	(8,288)	(97,526)
Balance as of 30 June 2019	<u>2,032,082</u>	<u>(332,900)</u>	<u>(90,113)</u>	<u>(8,239)</u>	<u>1,600,830</u>

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



NFM GROUP LIMITED

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CASH FLOW STATEMENT

	<u>30.6.2019</u>	<u>30.6.2018</u>
	\$	\$
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Loss before tax	(106,560)	(414,377)
Adjustments for:		
Depreciation of property, plant and equipment	<u>1,350</u>	<u>2,715</u>
Operating Loss Before Changes in Working Capital	(105,210)	(411,662)
Decrease/(Increase) in:		
Trade and other receivables	493,607	18,024
Inventories	(792)	-
(Increase)/Decrease in:		
Trade and payables	<u>(408,591)</u>	<u>437,757</u>
Cash (used in)/generated from operations	(20,986)	44,119
Indirect tax paid	<u>-</u>	<u>(37,255)</u>
Net cash (used in)/from operating activities	<u>(20,986)</u>	<u>6,864</u>
Effects of changes in exchange rates	<u>9,034</u>	<u>-</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(11,952)	6,864
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>33,726</u>	<u>25,307</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>21,774</u></u>	<u><u>32,171</u></u>

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

NFM GROUP LIMITED

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FOR THE PERIOD FROM 1 JANUARY 2019 TO 30 JUNE 2019

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 2019 to 30 June 2019 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 2018.

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

NFM GROUP LIMITED

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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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

5. TRADE AND OTHER RECEIVABLES

	<u>30.6.2019</u>	<u>31.12.2018</u>
	\$	\$
Trade receivables	3,549,219	3,738,568
Other receivables	<u>950,687</u>	<u>1,254,945</u>
	<u>4,499,906</u>	<u>4,993,513</u>

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 120 days (2018: 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>30.6.2019</u>	<u>31.12.2018</u>
	\$	\$
Neither past due nor impaired	110,423	494,356
Past due but not impaired:		
1 to 30 days	-	-
31 to 60 days	-	-
More than 60 days	<u>3,438,796</u>	<u>3,244,212</u>
Total	<u>3,549,219</u>	<u>3,738,568</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.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to \$3,438,796 (2018: \$3,244,212) 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.

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6. INVENTORIES

CURRENT	<u>30.6.2019</u>	<u>31.12.2018</u>
	\$	\$
At fair value:		
Finished goods	<u>124,480</u>	<u>123,688</u>

7. CASH AND CASH EQUIVALENTS

	<u>30.6.2019</u>	<u>31.12.2018</u>
	\$	\$
Cash and bank balances	<u>21,774</u>	<u>33,726</u>

8. PLANT AND EQUIPMENT

	Office equipment \$
Cost	
Balance as of 1 January 2019/30 June 2019	<u>50,004</u>
Accumulated depreciation	
Balance as of 1 January 2019	43,494
Charge for the year	<u>1,350</u>
Balance as of 30 June 2019	<u>44,844</u>
Net book value	
Balance as of 30 June 2019	<u>5,160</u>
Balance as of 31 December 2018	<u>6,510</u>

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NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER PAYABLES

	<u>30.6.2019</u>	<u>31.12.2018</u>
	\$	\$
Trade payables	70,705	72,417
Other payables	2,979,785	3,375,401
Accruals	-	11,263
	<u>3,050,490</u>	<u>3,459,081</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.

10. CONTRIBUTED EQUITY

	<u>30.6.2019</u>	<u>31.12.2018</u>
	\$	\$
Authorised:		
8,000,000 (2018:8,000,000) 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

11. 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	
			30.6.2019	31.12.2018
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 Ltd	Property development company	People's Republic of China	51%	51%
Jiumao Techonology (Beijing) Company Limited	Provision of technical expertise and software and hardware development	People's Republic of China	80%	80%
Xiqiandao (Beijing) Catering Management Chain Co., Limited	Provision of management consultation service	People's Republic of China	55%	55%

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NOTES TO THE FINANCIAL STATEMENTS

12. RELATED PARTY TRANSACTIONS

Amount owing to related party, 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.

13. COMMITMENTS & CONTINGENCIES

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

14. 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.