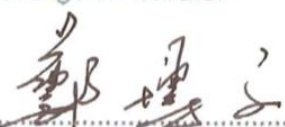


We, for and on behalf of the Board of Directors of NFM Group Limited hereby confirm that this Information Memorandum has been seen and approved by the Board of Directors of NFM Group Limited and authorize the submission of this Information Memorandum to the National Stock Exchange of Australia.



Name: ZHENG BOWEN  
Designation: Director  
Date: 28 DEC 2015



Name: ZHENG JIANFU  
Designation: Director  
Date: 28 DEC 2015



**讯众传媒**  
**NEWS FOCUS**

**NFM GROUP LIMITED**

**INFORMATION MEMORANDUM**

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## **SECTION 2: IMPORTANT INFORMATION AND NOTICES**

THIS INFORMATION MEMORANDUM HAS BEEN PREPARED BY NFM GROUP LIMITED (BVI: 1883475 AND ARBN: 608029125 AND ALSO REFERRED TO HEREIN AS THE 'COMPANY' OR "NFM" OR "GROUP") IN CONNECTION WITH ITS INTENTION TO APPLY FOR COMPLIANCE LISTING ON THE NSX. NO COPY OF THIS INFORMATION MEMORANDUM HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC) AS THIS IS NOT A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT REQUIRED TO BE LODGED WITH ASIC UNDER THE CORPORATIONS ACT. NEITHER ASIC NOR THE NSX TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, OR FORM PART OF, ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO PURCHASE OR SUBSCRIBE FOR, ANY CDIS IN THE COMPANY, IN ANY JURISDICTION, NOR SHALL IT, OR ANY PART OF IT, OR THE FACT OF ITS PUBLICATION FORM THE BASIS OF, OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT THEREFOR. THIS INFORMATION MEMORANDUM MAY BE WITHDRAWN AT ANY TIME BEFORE THE PROPOSED LISTING AND IS SPECIFICALLY SUBJECT TO THE TERMS DESCRIBED IN THIS INFORMATION MEMORANDUM.

THE CDIS OF THE COMPANY HAVE NOT BEEN REGISTERED WITH OR APPROVED OR DISAPPROVED BY THE NSX, NOR HAS THE NSX OR ANY REGULATORY AUTHORITY OF ANY STATE PASSED UPON OR ENDORSED THE MERITS OF THIS LISTING OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY HAS NOT BEEN AUTHORIZED BY THE COMPANY OR ITS MANAGEMENT.

### **APPLICATION FOR LISTING**

**APPLICATION HAS BEEN/WILL BE MADE FOR LISTING OF THE COMPANY'S CDIS ON THE NSX. THE FACT THAT THE NSX MAY LIST THE CDIS OF THE COMPANY IS NOT TO BE TAKEN IN ANY WAY AS AN INDICATION OF THE MERITS OF THE COMPANY OR THE LISTED CDIS. THE NSX TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS INFORMATION MEMORANDUM, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON ANY PART OF THE CONTENTS OF THIS INFORMATION MEMORANDUM.**

IT IS EXPECTED THAT TRADING OF THE CDIS ON THE STOCK MARKET CONDUCTED BY THE NSX, IF GRANTED WILL COMMENCE AS SOON AS PRACTICAL AFTER APPROVAL FOR ADMISSION TO THE OFFICIAL LIST OF THE NSX IS GRANTED AND ALL CONDITIONS (IF ANY) APPLICABLE THERETO HAVE BEEN SATISFIED FOR OFFICIAL QUOTATION.

## **NOMINATED ADVISOR**

THE LISTING NOMINATED ADVISOR ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN (FINANCIAL, LEGAL OR OTHERWISE). IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE COMPANY AND THE TERMS OF THIS INFORMATION MEMORANDUM, INCLUDING THE MERITS AND RISKS INVOLVED. MOREOVER, THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN ATTORNEY, BUSINESS OR TAX ADVISOR FOR LEGAL, BUSINESS OR TAX ADVICE.

## **DISCLOSURE OF INFORMATION**

THIS INFORMATION MEMORANDUM DOES NOT CONTAIN THE INFORMATION THAT WOULD BE CONTAINED IN A PROSPECTUS OR OTHER DISCLOSURE DOCUMENT PREPARED UNDER THE CORPORATIONS ACT. WHILE THIS INFORMATION MEMORANDUM SHOULD BE READ IN ITS ENTIRETY, IT DOES NOT CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE CDIS AND THE COMPANY. PROSPECTIVE INVESTORS SHOULD CARRY OUT THEIR OWN INDEPENDENT INVESTIGATIONS, ANALYSIS AND OBTAIN INDEPENDENT FINANCIAL, TAXATION AND OTHER PROFESSIONAL ADVICE AS NEEDED IN RESPECT OF THE CDIS AND THE COMPANY AND THE INFORMATION REFERRED TO IN THIS INFORMATION MEMORANDUM AND OTHER MATTERS THAT MAY BE RELEVANT TO ITS INVESTMENT DECISION.

EACH PROSPECTIVE INVESTOR CONSIDERING AN INVESTMENT IN THE CDIS MUST MAKE, AND WILL BE TAKEN TO HAVE MADE, ITS OWN INDEPENDENT INVESTIGATION AND ANALYSIS OF THE INFORMATION IN THIS INFORMATION MEMORANDUM AND SHOULD CONSULT THEIR OWN ADVISORS BEFORE INVESTING IN THE COMPANY.

PROSPECTIVE INVESTORS MAY CONTACT THE COMPANY TO OBTAIN A COPY OF THE COMPANY'S ARTICLES OF ASSOCIATION.

## **UNAUTHORISED REPRESENTATIONS**

NO PERSON HAS AUTHORITY TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THE SHARES, CDIS OR THE COMPANY THAT IS NOT CONTAINED IN THE INFORMATION MEMORANDUM. ANY INFORMATION NOT INCORPORATED BY EXPRESS REFERENCE OR SET OUT IN THIS INFORMATION MEMORANDUM MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

## **RESTRICTIONS**

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS, INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES, ARE REQUIRED, BY THE COMPANY TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO BUY OR SELL CDIS OR OTHER MARKETABLE SECURITIES OF THE COMPANY, WHETHER IN AUSTRALIA OR IN ANY OTHER JURISDICTION.

## **FORWARD LOOKING STATEMENTS**

THIS INFORMATION MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS WHICH ARE IDENTIFIED BY WORDS SUCH AS "BELIEVES", "ESTIMATES", "EXPECTS", "INTENDS", "MAY", "WILL", "WOULD", "COULD", OR "SHOULD" AND OTHER SIMILAR WORDS THAT INVOLVE RISKS AND UNCERTAINTIES. THESE STATEMENTS ARE BASED ON AN ASSESSMENT OF PRESENT ECONOMIC AND OPERATING CONDITIONS, AND ON A NUMBER OF ASSUMPTIONS REGARDING FUTURE EVENTS AND ACTIONS THAT, AS AT THE DATE OF THIS INFORMATION MEMORANDUM, ARE EXPECTED TO TAKE PLACE.

SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, ASSUMPTIONS AND OTHER IMPORTANT FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY, THE DIRECTORS AND MANAGEMENT OF THE COMPANY. THE ACTUAL RESULTS AND FUTURE ACHIEVEMENTS MAY BE MATERIALLY DIFFERENT FROM THAT EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS.

KEY RISK FACTORS ARE DETAILED IN SECTION 6 OF THE INFORMATION MEMORANDUM. THESE AND OTHER FACTORS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS. THE COMPANY CANNOT AND DOES NOT GIVE ASSURANCES THAT THE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS INFORMATION MEMORANDUM WILL ACTUALLY OCCUR AND INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS.

ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE COMPANY OR TO PERSONS ACTING ON ITS BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS REFERRED TO ABOVE AND CONTAINED ELSEWHERE IN THE INFORMATION MEMORANDUM.

## **CDIS**

THE COMPANY IS INCORPORATED IN THE FEDERAL TERRITORY OF LABUAN, MALAYSIA WHICH DOES NOT RECOGNISE THE CHESS SYSTEM OF HOLDING SECURITIES OR ELECTRONIC TRANSFER OF LEGAL TITLE TO SHARES. TO ENABLE COMPANIES SUCH AS THE COMPANY TO HAVE THEIR SECURITIES CLEARED AND SETTLED ELECTRONICALLY THROUGH CHESS, DEPOSITORY INTERESTS CALLED CHESS DEPOSITORY INTERESTS (CDIS) ARE ISSUED. CDI HOLDERS RECEIVE ALL OF THE ECONOMIC BENEFITS OF ACTUAL OWNERSHIP OF THE UNDERLYING SHARES. CDIS ARE TRADED IN A MANNER SIMILAR TO SHARES OF AUSTRALIAN COMPANIES LISTED ON THE NSX.

CDIS WILL BE HELD IN UNCERTIFICATED FORM AND SETTLED/TRANSFERRED THROUGH CHESS. NO SHARE CERTIFICATES WILL BE ISSUED TO CDI HOLDERS. **SHAREHOLDERS CANNOT TRADE THEIR SHARES ON NSX WITHOUT FIRST CONVERTING THEIR SHARES INTO CDIS.**

EACH CDI REPRESENTS ONE UNDERLYING SHARE. THE MAIN DIFFERENCE BETWEEN HOLDING CDIS AND SHARES IS THAT CDI HOLDERS HOLD THE BENEFICIAL OWNERSHIP IN THE SHARES INSTEAD OF THE LEGAL TITLE. **CDN**, A SUBSIDIARY OF ASX, WILL HOLD THE LEGAL TITLE TO THE UNDERLYING SHARES. THE SHARES UNDERLYING THE CDIS WILL BE REGISTERED IN THE NAME OF CDN AND WILL BE HELD ON BEHALF OF AND FOR THE BENEFIT OF THE CDI HOLDER. CDIS WILL BE CHESS APPROVED FROM THE DATE OF OFFICIAL QUOTATION IN ACCORDANCE WITH THE LISTING RULES AND THE ASX

SETTLEMENT OPERATING RULES. THE SHARES UNDERLYING THE CDIS WILL RANK EQUALLY WITH THE SHARES CURRENTLY ON ISSUE IN THE COMPANY. A SUMMARY OF THE KEY RIGHTS ATTACHING TO THE CDIS AND SHARES IS SET OUT UNDER THE HEADING "RIGHTS OF CDI HOLDERS" IN SECTION 14.

CDI HOLDERS CAN CHOOSE TO HAVE THEIR CDIS CONVERTED TO A DIRECT HOLDING OF SHARES, HOWEVER IF THEY DO SO THEY WILL NO LONGER BE ABLE TO TRADE ON NSX. SIMILARLY, SUBJECT TO ANY RESTRICTIONS UNDER APPLICABLE LAW, HOLDERS OF SHARES MAY CHOOSE TO CONVERT THEIR SHARES TO CDIS TO ENABLE THEM ON TRADE ON NSX.

### **CHESS – CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM**

THE COMPANY WILL APPLY FOR ADMISSION TO PARTICIPATE IN CHESS IN ACCORDANCE WITH THE LISTING RULES AND SETTLEMENT RULES CHESS IS OPERATED BY THE ASX SETTLEMENT PTY LTD, A WHOLLY OWNED SUBSIDIARY OF AUSTRALIAN SECURITIES EXCHANGE LTD, IN ACCORDANCE WITH THE LISTING RULES AND SETTLEMENT RULES. ON ADMISSION TO CHESS, THE COMPANY WILL OPERATE AN ELECTRONIC ISSUER SPONSORED SUB-REGISTER AND ELECTRONIC CHESS SUB-REGISTER. THE TWO SUB-REGISTERS TOGETHER WILL MAKE UP THE COMPANY'S PRINCIPAL REGISTER OF SECURITIES.

UNDER CHESS, THE COMPANY WILL NOT ISSUE CDI CERTIFICATES TO ITS SHAREHOLDERS. INSTEAD, CDI HOLDERS WILL RECEIVE A HOLDING STATEMENT, WHICH SETS OUT THE NUMBER OF CDIS HELD BY THEM. IF THE CDI HOLDER IS BROKER SPONSORED, ASX SETTLEMENT PTY LTD WILL SEND A CHESS STATEMENT.

A HOLDING STATEMENT (WHETHER ISSUED BY THE COMPANY OR CHESS) WILL ALSO PROVIDE DETAILS OF A CDI HOLDER'S HOLDER IDENTIFICATION NUMBER (HIN) (IN THE CASE OF A HOLDING ON THE CHESS SUB-REGISTER) OR SECURITYHOLDER REFERENCE NUMBER (IN THE CASE OF HOLDING ON THE ISSUER-SPONSORED SUB-REGISTER).

FOLLOWING DISTRIBUTION OF THESE INITIAL HOLDING STATEMENTS TO ALL CDI HOLDERS, A HOLDING STATEMENT WILL ONLY ROUTINELY BE PROVIDED TO A CDI HOLDER AT THE END OF ANY SUBSEQUENT MONTH DURING WHICH THE BALANCE OF THE CDI HOLDER'S HOLDING OF CDI'S CHANGES.

## **RISK FACTORS**

FUTURE PROSPECTIVE INVESTORS SHOULD BE AWARE THAT SUBSCRIBING FOR CDIS IN THE COMPANY INVOLVES A NUMBER OF RISKS. THE KEY RISK FACTORS OF WHICH INVESTORS SHOULD BE AWARE ARE SET OUT IN SECTION 6 OF THIS INFORMATION MEMORANDUM. THESE RISKS TOGETHER WITH OTHER GENERAL RISKS APPLICABLE TO ALL INVESTMENTS IN LISTED SECURITIES NOT SPECIFICALLY REFERRED TO, MAY AFFECT THE VALUE OF THE CDIS IN THE FUTURE. ACCORDINGLY, AN INVESTMENT IN THE COMPANY SHOULD BE CONSIDERED SPECULATIVE. INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO APPLY FOR CDIS PURSUANT TO THIS INFORMATION MEMORANDUM.

## **DEFINITIONS**

THROUGHOUT THIS INFORMATION MEMORANDUM ABBREVIATIONS AND DEFINED TERMS ARE USED. ABBREVIATIONS AND LEGAL TERMS ARE CONTAINED IN THE GLOSSARY IN SECTION 15 OF THIS INFORMATION MEMORANDUM (DEFINED TERMS ARE GENERALLY IDENTIFIED BY THE UPPERCASE FIRST LETTER).

## **SUITABILITY OF INVESTMENT AND RISK FACTORS**

BEFORE DECIDING TO INVEST IN THE COMPANY BY PURCHASE OF CDIS ON MARKET, FOLLOWING ADMISSION OF THE COMPANY TO THE OFFICIAL LIST OF THE NSX, PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE INFORMATION MEMORANDUM. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL FACTORS IN THE LIGHT OF THEIR PERSONAL CIRCUMSTANCES (INCLUDING FINANCIAL AND TAXATION ISSUES) AND SEEK PROFESSIONAL ADVICE FROM THEIR ACCOUNTANT, STOCKBROKER, LAWYER AND OTHER PROFESSIONAL ADVISER BEFORE DECIDING TO INVEST. THE COMPANY IS UNABLE TO ADVISE ANY PROSPECTIVE INVESTOR ON THE SUITABILITY OR OTHERWISE OF AN INVESTMENT IN THE COMPANY. FOR SUCH ADVICE, EACH PROSPECTIVE INVESTOR MUST CONTACT THEIR OWN INDEPENDENT PROFESSIONAL ADVISER(S).

IF YOU REQUIRE ANY FURTHER INFORMATION PLEASE CONSULT YOUR STOCKBROKER AND OTHER PROFESSIONAL ADVISER.



### **SECTION 3: CHAIRMAN'S LETTER**

In the era of internet technology with massive flow of information, the rise of the digital media industry with cultural content is inevitable. Innovation and creativity in all aspects will provide opportunities for those who have intention to start his/her business.

When I was employed by the Central People's Broadcasting Station of China, I noticed that new media market in China is broad, and the users of mobile online media and internet commercial are increased rapidly daily. Moreover, lifestyle of people has been changing due to the "lazy" economy expansion that consumers focus on conveniences and services quality which had later given me the motivation and idea to my business specifically in media services.

I founded Beijing News Focus Culture Development Company Limited ("NFM Beijing") in 2011 mainly focused on innovation media services. We have built our team step by step and have growth with our commitment. During the development process, we have had working hard work, and have felt sense of achievement from our contribution as a team. We have committed to provide the best products and services to our clients that can allow us to have strong footing to grow further.

As the Company has growth steadily for the past few years, and capital is needed for further technology and business development, we decided to go public to be coded in National Stock Exchange of Australia to have a reputable platform to invite potential investors to join us in the Company development. We will then have an international frontage and prospective to go global together with our investors and partners in the media industry.

We are committed to achieve better shareholders' value, to provide the best products and services to our customers, to become a reputable global media company, and to continuously provide employment opportunity to our younger generations.

Chairman,

Mr. Zheng Bowen

**SECTION 4: DIRECTORS, CORPORATE INFORMATION AND PROFESSIONAL ADVISORS**

**Executive Director:** Mr. Zheng Bowen

**Executive Director:** Mr. Zheng Jianfu

**Independent Non-Executive Director:** Ms. Zhang Ye

**Independent Non-Executive Director:** Mr. Xiao Feng

**Independent Non-Executive Director:** Mr. Liang Shuai

**Registrar:** **BoardRoom Pty Limited**  
Level 12, 225 George Street  
Sydney NSW 2000, Australia

**Company's Administrator:** **Manivest Xing Zhong (Shanghai) Consulting Company Limited**  
Unit 2402, Block A, Universal  
Mansion, No.172 Yuyuan Road  
Jingan District  
Shanghai, China 200040  
Tel: +86 21 6249 0383

**Registration Office (BVI):** Offshore Incorporations Centre  
Coastal Building  
Wickhams Cay II, Road Town  
Tortola  
British Virgin Islands

**Corporate Office:** Room 302-303, Tower B2  
Golden Tower, No. 82 Middle  
Road, East Fourth Ring  
Chaoyang District  
Beijing, China 100124  
Tel: +86 27 5075 5299  
Fax: +86 27 5075 5300

**China Legal Advisor:**

**Dowking Lawyers**

Floor 8, Building 2, Hanzhong  
Road, Nanjing,  
Jiangsu, China 210000  
Tel/Fax: +86 25 68662023

**Auditor:**

**Goh, Tan, Choong & Co. (AF 0498)**

167A JalanGlassiar, Taman Tasek  
80200 Johor Bahru, Johor  
Malaysia  
Tel: +607 236 2390  
Fax: +607 236 5307

**Listing Nominated Advisor:**

**Southasia Advisory Sdn Bhd**

A4-3-2, Solaris Dutamas  
No.1, Solaris Dutamas 1  
50480 Kuala Lumpur  
Malaysia  
Tel/Fax: +603 6211 4651

## **SECTION 5: INVESTMENT HIGHLIGHTS**

### **1. Vibrant economies lead to faster media advertising growth**

Global media advertising market is sensitive to the economy. In a strong economy environment, advertising is an effective tool and is a form of communication that attempts to persuade potential customers to purchase or to consume more of a particular brand of product or service than competing brands or services. Globally, media spending has risen at a 4.80% CAGR over the past five years, and will continue to improve matching the increase in global GDP growth.

### **2. The Ever Changing Consumer Behaviour**

Every major medium is used to deliver these messages, including television, radio, cinema, magazines, newspapers, video games, the internet, direct mail, billboards, outdoor posters and sponsorships. This non-exhaustive list gets longer with the development of new media.

The technology development trend of new media has also changed consumer spending behaviour. Consumers are spending less to buy and own content, while spending more to gain access to content via internet. For example in home video, physical sales are falling, while digital streaming is rising. Media digital advertising will be able to gain a strong market share in the advertising industry for years to come.

### **3. Mobile Advertisement**

Rising tablet and smartphone penetration will continue to drive mobile spending making mobile advertisement an important APP content in mobile technology. The mobile component of the global media market is booming. Global mobile advertising rose 83.90% in 2013 and will increase by a projected 34.50% compounded annually over the next five years. Three key trends are fuelling this growth: still increasing penetration of tablets and smartphones, enabling easier internet browsing; upgrades in wireless infrastructure that enable faster connectivity; and continued growth in a number of applications for mobile.

NFM has invested smartly in this sector and has achieved technology breakthrough in APP mobile application for advertisement of businesses.

#### **4. Experienced Management, Committed Professional and Business Network**

The Company has an experienced management and technical team continuously working with research & development institutes and associations for the new product development and to be privy to the latest industry trend developments and needs. NFM also realizes that managing "big data" and understanding the implications will result in a critical advantage in the new media industry. There are many opportunities for media companies to capture data to use it for the benefit of both themselves and their audience.

The Company has in 2015 completed market media basic coverage in Beijing with 3,000 media machines. The research and development of the network broadcast monitoring system has been online and operational that an estimate of 20 million people has watched the interactive advertising. These have set a strong foundation with large pool of customers and potential audiences to sustain the business of the Company.

## **SECTION 6: INVESTMENT OVERVIEW**

The information set out in this Section is not intended to be comprehensive and should be read in conjunction with the full text of this Information Memorandum.

### **Introduction to the Company**

The Company is a limited liability company incorporated in the British Virgin Islands on 20 July 2015. On 3 September 2015 the Company was registered as a foreign company in Australia with ARBN: 608029125.

The Company owns 100% of New Focus Company Limited ("NFM HK"), a company incorporated and organized under the laws of in Hong Kong.

Shanghai News Focus Investment Management Company Limited ("NFM Shanghai"), a Wholly Owned Foreign Entity ("WOFE"), is a company incorporated and organized under the laws of China and is a 100% owned subsidiary of NFM HK.

Beijing News Focus Culture Development Company Limited ("NFM Beijing") is a company incorporated and organized under the laws of China and is a 100% owned subsidiary of NFM Shanghai.

### **The Shares of the Company**

The Company has 500,000,000 fully paid ordinary Shares on issue as at the date of this Information Memorandum.

There is no public market for the Shares nor CDIS of the Company in the British Virgin Islands, Australia, United States of America, United Kingdom or any other jurisdiction as at the date of this Information Memorandum.

See "Company Overview" in Section 9 for more information on the Company.

Investment in the Shares or CDIS involves risks. See "Risk Factors" in Section 6 for more information on the risk related to investing in the Company.

The Company does not have any outstanding convertible debt securities.

## **Listing**

As the Company is a foreign incorporated company, it is the Company's intention to apply for the CDIS to be listed on the National Stock Exchange of Australia. No securities of the Company or any company within the Group are listed on any other stock exchange. Each CDI held entitles its holders to one underlying Share. All Shares represented by CDIs will entitle the holder to one vote per Share held. CDI Holders receive all the economic benefits of actual ownership of the underlying shares.

### **Listing Nominated Advisor**

Southasia Advisory Sdn Bhd, a Malaysian company, has been appointed to act as the Company's NSX Listing Nominated Advisor as required under the NSX Listing Rules. Southasia Advisory Sdn Bhd's main role is to advise the Company and its directors as to the nature of their responsibilities and obligations under the Listing Rules and to assist the Company in its Compliance Listing on the NSX.

### **Purpose of Listing and application for Compliance listing in NSX**

The Company intends to submit an application to list its CDIS on the NSX by way of a compliance listing. No new capital was raised or is going to be raised or available to the Company as a result of that listing. The proposed listing of the CDIS on the NSX may have favourable consequences for the Company's shareholders who may wish to trade their CDIS through a stock exchange.

The Directors believe that the listing of the Company's CDIS will assist to raise the profile of the Group thereby enabling a wider range of investors to hold the Company's CDIS. In addition, in the opinion of the Directors, the proposed listing should:

- Enable the Group to raise further capital in connection with its intention to expand business operations, notwithstanding that the Company has sufficient funds to continue its operations as they are now being conducted for a period of not less than 24 months from the date of this Information Memorandum;

- Raise the profile of the Group amongst its prospective customers and suppliers thereby permitting the Group to address future opportunities that may arise.

The Directors intend to grow the Company's operations and expand and develop its market share. This will require significant capital which the Company is unable to generate based on its current operations. Accordingly, it is intended that the Company will seek to raise additional capital through issuance of new CDIS in the future and prepare the relevant and necessary documents as required by law or the Listing Rules.

### **Lock Up**

69.23% of the CDIs are currently held by 2 Shareholders that include a Director of the Company. In order to provide potential investors with a certain degree of comfort regarding the longer term expectations of the Company's Shareholders, those shareholders (the "**Escrowed Shareholders**") have agreed to the following Lock Up provisions pursuant to a Lock Up Agreement (the "**Lock Up Agreement**").

To the extent not inconsistent with applicable law, each Escrowed Shareholder will agree not to effect any public or private sale or distribution of their CDIs of the Company, or any securities, options or rights convertible into or exchangeable or exercisable for such CDIs for a period of 24 months from the date that the Company's securities (including the CDIs) are admitted to trading on the NSX.

The Lock Up will not apply to the extent that an offer is received, from a person or persons not affiliated with any of the Escrowed Shareholders, for the entire issued share capital of the Company and the Board recommends acceptance of that offer and such offer becomes binding and unconditional on all the Company's Shareholders (including the Escrowed Shareholders).

### **Litigation**

As of the date of this Information Memorandum, the Directors are not aware of any claims or threats of legal action existing in respect to the Company or any member of the Group which would have a material adverse effect on the financial performance of the Company or the Group.



## **Rights attached to Shares**

The Shares which are represented by the CDIS will rank equally in all respects with the Company's Shares. The rights attaching to the Shares are detailed in the Constitution of the Company. A summary of the rights and restrictions attaching to the Shares is set out below.

### **Share Rights**

The Company currently has 500,000,000 fully paid ordinary Shares in issue. There are no other classes of shares on issue nor are there any partly paid shares on issue. The rights attaching to ownership of the Shares arise from a combination of the Constitution, the Act and general law.

A brief summary of certain provisions of the Constitution and the significant rights attaching to Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of NSX. The Constitution may be inspected during normal business hours at the registered address of the Company.

Subject to the Act and any rights and restrictions attached to a class of shares, the Company may issue or grant options in respect of further shares on such terms and conditions as the Directors resolve.

### *Alteration of Rights*

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of the shares of that class), can only be varied with the consent in writing of Shareholders with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

### *Forfeiture and lien*

The Company is empowered to forfeit Shares in relation to any part of allotment monies, calls, instalments, interest and expenses which remains unpaid following any notice sent to a Shareholder. Such forfeiture must occur in accordance with the

Constitution and the Act. The Company has a first ranking lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien or charge extends to all dividends, bonuses and other monies payable in respect of the Shares. If the Company registers a transfer of any Shares subject to this lien or charge, the title of the transferee to the Shares is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Shares.

### *Meetings*

Each Shareholder and Director of the Company is entitled to receive notice of and attend any general meeting of the Company. A meeting of members is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50% of the votes of the shares or class or series of shares entitled to vote on resolutions of members to be considered at the meeting.

### **Share Options**

No options exist for the Shares or any other capital of any member of the Group at the date of this Information Memorandum.

### **Registration of CDIS/ Trading of CDIS**

The CDIS have been issued in non-certificated form only. CDIS not subject to escrow may be traded on market, following the Company's admission to the NSX.

### **Listing**

This Information Memorandum is prepared in connection with the application for Compliance listing of NFM Group Limited. It is the Company's intention that the CDIS are listed by way of Compliance Listing of the NSX.

No new CDIS are being offered pursuant to this Information Memorandum.

### **Transferability of the CDIS**

The CDIS are subject to the provisions set out in the Company's Constitution applicable to shares of the Company and to any restrictions as set forth therein. As at the time of listing, the CDIS are freely transferable.

**Costs & Expenses**

Transaction costs and all other directly attributable costs (including listing fees, legal fees and other professional fees) in connection with the Listing are to be paid by the Company from funds from its current operations.

**Enquiries**

Enquiries should be addressed to the Company at its registered office.

## **SECTION 7: RISKS OF INVESTMENT**

Before deciding whether or not to invest in the Company, prospective investors should consider carefully all of the information set forth in this Information Memorandum and the specific risk factors set out in this Section below and reach their own conclusions, based on their own judgment and upon advice from such financial, legal and/or tax advisers as they have deemed necessary, prior to making any investment decisions.

If any of the risks described below materialize, individually or together with other circumstances, they may have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow, which, in turn, may cause a decline in the value and trading price of the CDIS.

The risks and uncertainties described below are not the only ones faced by the Group. Additional risks and uncertainties which the Company currently deems immaterial or not presently known may also have a material adverse effect on the Group's business, financial condition, operating results and/or cash flow.

The orders in which the risks are presented below are not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance. All of the risk factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. These risks should also be considered in connection with the cautionary statement regarding forward-looking information set forth immediately preceding this Section.

### **Risk Factors**

The following summary of Risks relating to the Group is not intended to be a summary of all risks to which the Group is or may be subject. Persons interested in the Company should familiarize themselves with the full text of this Information Memorandum including, without limitation, all of the Risk Factors set out in this Information Memorandum.

### **Risks relating to the Group**

*Inherent business risks in the advertising industry may affect the Group's business.*

The Group is subject to risks inherent to the advertising industry including but not limited to explicit downturns in the global, regional and national economies, the entry of new players into the market, changes in law and tax regulations affecting marketing cost, branding competition and/or other production costs and changes in business and credit conditions.

The Group's ability to mitigate these risks depends on various factors, including the Group's ability to stay well-informed of the latest technologies or technique related to advertising and other developments in the industry. There can be no assurance that we will be able to successfully mitigate the various risks of the advertising industry, or that we will be successful in implementing our strategies. If we are unable to do so, the Group's business, financial position, results of operations and prospects would be materially and adversely affected.

#### *Retention of Personnel*

The Group's continued success will depend significantly on the ability, expertise and continued efforts of the Company's existing Directors, Senior Management and other key personnel. The departure of any of these individuals may, to a certain extent, affect the Group's future business operations and financial performance. The Group may be unable to attract and retain its existing Directors, Senior Management and other key management personnel. In addition, the Company may not be able to attract or retain sufficiently skilled employees with suitable technical expertise in the healthcare industry.

#### *Management of Growth*

In order to execute the Company's business plan, the Company must significantly grow its operations to capture bigger market share. This growth will place a significant strain on the Company's personnel, management systems and resources. If the Company does not manage growth effectively, its business, results of operations and financial condition would be materially adversely affected. The Company expects that the number of its employees, including management-level employees, will continue to increase for the foreseeable future. The Company must continue to improve its operational and financial systems and managerial controls and procedures, and it will need to continue to expand, train and manage its workforce to. The Company's management may be unable to hire, train, retain,

motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

#### *Impact of Law in Governmental Regulation*

The Company operates its business in China, and its performance depends in part on political stability and the regulatory environment in China. If the political and/or regulatory climate alters or stability deteriorates, this could have a material impact on the Company's plans and projected results.

#### *Licenses, Permits and Approvals Risks*

The Group requires licenses, permits, and approvals from authorities for its operations, and any future new product development will also be subject to the Group obtaining such new licenses, permits or other authorizations. Failure to obtain or maintain, or changes to conditions attached to, any such license, permit or other authorization may prevent the Group from undertaking operations or adversely affect the conduct of its operations.

#### *Corporate offices on which the Group operates*

The Group does not currently own properties on which its operating office is located. The Group's rights to use the properties are subject to tenancy agreements which the respective Group entities have entered into with the respective property owners of these offices. There can be no assurance that the property owners will continue to allow the Group to use the offices and/or that they will renew the tenancies upon expiry thereof. Notwithstanding the foregoing, the Group is constantly trying to identify suitable offices for acquisition or joint ventures or long term tenancies for its intended expansion purposes and also to mitigate the reliance on the offices on which the Group currently operates.

#### *Technological Advancement in the Advertising Industry*

The Group operates in a competitive market in which it must continue to advance the techniques and promotion by frequently updating these to achieve a better product with cost effectiveness. The Group's future growth and success would depend on the Group's ability to adopt new techniques to mitigate the growing product competition in the market.

### *Future Capital Needs and Additional Financing*

The Company has limited financial resources and may need to raise additional funds in the future in order to fund the full implementation of its intended business expansion. Any required additional financing may not be available on terms favorable to the Company, if at all. If adequate funds are not available on acceptable terms, the Company may be unable to successfully complete and implement its expansion and diversification plans.

If additional funds are raised by the Company issuing equity securities, Shareholders will likely experience dilution of their ownership interest to an extent that may be substantial. If additional funds are raised by the Company issuing debt, the Company may be subject to limitations on its operations, including limitations on the payment of dividends to Shareholders including, without limitation, holders of Shares or CDIS. Failure to generate sufficient funds in the future whether from operations or by raising debt or equity capital may have a material adverse effect on the Company's business prospects, operating results and financial condition.

### *Fluctuations in Operating Results may negatively impact the Company*

The Company's operating results may fluctuate significantly due to a variety of factors that could affect the Company's revenues or expenses in any particular financial period. It is possible that results of operations may be below the expectations of the Company's management and investors. Factors that may affect the Company's operating results include climate changes, other natural disasters and/or diseases.

### *No Guarantee as to Future Performance*

There can be no assurance that the Company will be able to achieve the returns referred to in this Information Memorandum.

### *Competitor Activity*

Recently there is an influx of media advertising companies entering the market and intensifying competition in the industry. Increased competition may also occur from international competitors that have entered the China advertising market. There is

no assurance that the Company is able to continue to maintain its existing contracts and/or volume of business in the future. The Company would need to maintain a high standard of quality services and latest technology products with affordable pricing to be sustainable in the market.

#### *Counterparty Risks*

The Group is subject to certain business risks with respect to its contractual counterparties, and failure of such counterparties to meet their obligations could cause the Group to suffer losses or otherwise adversely affect its business.

#### **Risks associated with being incorporated under the Laws of the British Virgin Islands**

The Company is a company incorporated under the laws of the British Virgin Islands. Laws and regulations of the British Virgin Islands may be amended from time to time. The rights of Shareholders is be governed by the laws of the British Virgin Islands and the Company's Constitution. The rights of Shareholders under the laws of the British Virgin Islands may differ from the rights of Shareholders of companies incorporated in Australia. The Corporations Act may provide shareholders of Australian incorporated corporations' rights and protection of which there may be no corresponding or similar provisions under the BVI Business Companies Act, 2004. As such, if you invest in our CDIs, you may not be accorded with the same level of shareholder's rights and protection that a shareholder of an Australian incorporated company may be accorded under the Corporations Act

#### **Other Risks**

##### *Volatility of the value of the Shares/CDIS*

Prior to this Compliance Listing, there has been no public market for the Company's Shares/CDIS. There can be no assurance that an active market for the CDIS will develop or, if developed, that such market will be sustained.

Investors should also be aware that the value of the CDIS may be volatile and may go down as well as up and investors may therefore not recover any or all of their original investment, especially having regard to the Company's plan to seek a future listing, as the market in CDIS may have limited liquidity.



In addition, the price at which investors may dispose of their CDIS may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realize less than the original amount invested.

#### *Ordinary Shareholder Tax Risk*

Investors should take their own tax advice as to the consequences of owning Shares/CDIS as well as receiving returns from it. In particular investors should be aware that ownership of Shares/CDIS can be treated in different ways in different jurisdictions.

#### *Raising Further Funds*

The Company intends to raise additional funds in the future to take advantage of growth and expansion opportunities. Any equity offerings to new investors could result in dilution for existing investors.

#### *Exchange rate fluctuations may adversely affect the value of our Company's dividends*

Dividends if any in respect of our Shares will be declared in USD and converted by our Company into AUD for those investors whose Shares are held through CDI. Please refer to the section entitled "Dividend Policy" for more details. Fluctuations in the exchange rate between the AUD and USD will affect, among other things, the AUD value of our Company's dividends, if any, declared in USD and paid in AUD.

#### *We may not be able to pay dividends in the future*

Our ability to declare dividends to our Shareholders in the future will be contingent on our future financial performance and distributable reserves of our Company. This is in turn dependent on our ability to implement our future plans, and on regulatory, competitive, technical and other factors, general economic conditions, demand for and selling prices of our services and other factors exclusive to the industry. Any of these factors could have a material adverse effect on our business, financial condition and results of operations, and hence there is no assurance that we will be able to pay dividends to our Shareholders.

Further, in the even that we are required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends we can declare and pay out.

## SECTION 8: INDUSTRY OVERVIEW

### 8.1 Executive Summary – Media Advertising Industry

With the advancement of digital technology, the media industry is undergoing rapid change in this era along the entire value chain and significant structural change, impelled by continuously rising consumer demand. In this industry, if one form of media's loses relative market share, another takes its place, gaining our attention with new modes of digital interaction, mobility, or social networking. The information technology has been a driver of change in this industry increasing digitization has escalated the speed of its transformation. The new trends are emerging at rapid speed around social media, mobile devices, and cloud computing. These trends alter the way we live, consume, and pay for our media, creating endless consumer choices, from infinite device options.

The media industry consists of the advertising, broadcasting & cable TV, publishing and movies & entertainment markets. New Focus Media ("NFM") was formed as a media company focusing on the advertising business as the main income source for the Company, and has planned to expand its business to other media related businesses.

**Advertising** is a form of marketing communication used to persuade an audience or to call the public's attention to take or continue some action, usually with respect to a commercial offering, or non-commercial through the use of various forms of mass media which include newspaper, magazines, television advertisement, radio advertisement, outdoor advertising or direct mail; or new media - blogs, websites or text messages.

Commercial advertising often seek to generate increased consumption of their products or services through "branding", which involves associating a product name or image with certain qualities in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies.

## 8.2 Global Advertising Industry

Advertisers will spend nearly US\$600 Billion worldwide in 2015, an increase of 6% over 2014 by eMarketer.

In each advertising category:

- Total paid media;
- Digital; and
- Mobile internet.

The top five spenders are:

1. United State of America ("USA")
2. China
3. Japan
4. Germany
5. United Kingdom ("UK")

Top 5 Countries, Ranked by Total Media, Digital and Mobile Internet Advertising Spending in 2015 (Estimated in billions US\$) as shown in the Table below:

Ranking	Country	Total Media	Digital	Mobile Internet
1	USA	189.06	58.61*	28.24
2	China**	73.13	30.81	12.14
3	Japan	40.19	9.61	3.37
4	Germany	27.71	6.67	2.11
5	UK	25.22	12.59*	4.67
<b>Worldwide</b>		<b>592.43</b>	<b>170.50</b>	<b>64.25</b>

Note: \* include SMS, MMS and P2P messaging-based advertising;

\*\* excludes Hong Kong

Source: eMarketer (182885), December 2014

The USA remains the dominant advertising market worldwide. In 2015, marketers will spend an estimated US\$189.06 billion on advertising in the USA, an amount that represents 31.9% of the global advertising market. That figure is also higher than the aggregated total for China, Japan, Germany and the UK. Through 2018, the US will

essentially maintain that share, dipping to only 31.1%, and will continue to account for more in total media advertising spending than the rest of the top five combined.

Mobile advertising is the key driver of growth around the world, and advertisers will spend US\$64.25 billion worldwide on mobile in 2015, an increase of nearly 60% over 2014. That figure will reach US\$158.55 billion by 2018, when mobile advertising will account for 22.3% of all advertising spending worldwide.

The worldwide mobile advertising spending is higher than forecasts, due chiefly to faster-than-expected growth in China's mobile ad market. According to new data, marketers will spend US\$6.39 billion on mobile ads in China in 2014, up 600.0% from just US\$913 million in 2013; this total will increase another 90.0% to US\$12.14 billion in 2015. By way of this year's gain, China will surpass both the UK and Japan to become the second-largest mobile advertising market in the world.

### **8.3 Advertising Industry in China**

#### **8.3.1 Industry Background**

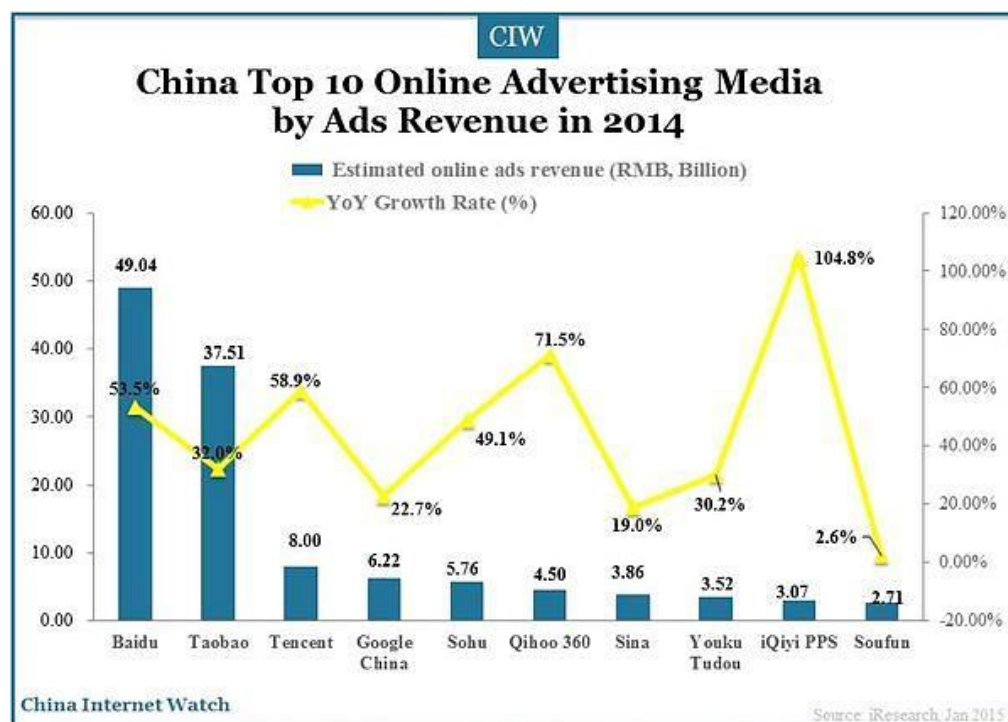
The advertising industry in China has experienced significant changes during the last 30 years. Advertising has been developed from a cost centre to meet basic disclosure requirement to a marketing tool which drives the economy. With this maturing of the consumer economy, the advertising industry is becoming more competitive and diversified.

Digital and mobile internet advertising, together with the entry of international companies, has brought competition to a new level since 2005. The conventional media products have lost their comparative advantage and more media companies have converted to digital advertising, which has lower distribution costs and higher coverage.

#### **8.3.2 Industry Performance**

The sustained growth of China's economy has provided the Chinese advertising industry an opportunity to grow. The Chinese advertising industry has been ranked as the second largest advertising industry globally just behind the United States in terms of total revenue. Chinese media industry revenue reached RMB343 billion in 2014, representing a CAGR of 13.75% since 2000, much higher than the GDP growth rate. Conventional advertising generates the majority of the industry revenues. However internet advertising and outdoor advertising are gaining market share.

Since 2011 digital and mobile internet advertising has expanded in the Chinese market. It now exists in petrol stations, golf courses, convenient stores, commercial buildings and other spaces that are highly visible. Digital advertising has changed the traditional way to distribute information, where potential customers get involved in viewing advertisements without realizing, such as advertisements in movies, games, social media and other channels.

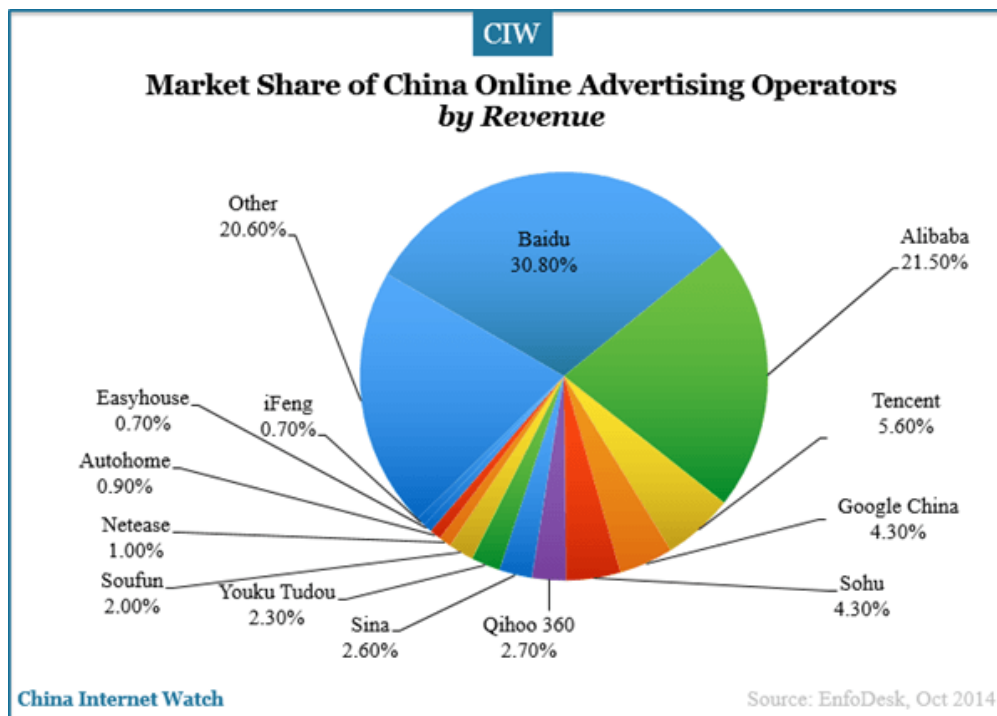


### 8.3.3 Industry Competition

The media industry in China is still in the development stage, with a significant number of media companies of varying sizes. Key observations of the current state of the market include:

- The advertising industry in China is experiencing reform, with companies specialized in different industries. The media industry is deregulated with less involvement from the Government;
- Marketing tools are well diversified as companies start to use different platforms to market their products. For example, some companies may use public relation companies, promotion advisories or interactive sales. Accordingly some of the market share of advertising has been taken by other marketing tools; and
- A large number of the domestic media companies are small in scale and offer lower quality services compared to the foreign media companies.

In the fast pace of technology advancement and capital investment in the information technology by local companies and foreign players in the China market, the graph below shows the market share of China Online Operators:



#### 8.4 Media Advertising Industry Outlook

The innovation of digital and mobile internet advertising, together with the various methods of utilizing digital media, has greatly improved market awareness. Digital and mobile internet advertising development is not limited to the traditional applications, and is likely to be used in more and more marketing activities. Compared to conventional advertising, digital advertising has demonstrated its unparalleled value add, as digital advertisement is produced in high definition, controllable, easy to update and sustainable.

According to IMS Research, retail business is expected to be the biggest user and beneficiaries of digital advertising. Most retail businesses will recognize the power of digital advertising, accordingly digital advertising is likely to increase market share due to its flexibility and interactive capabilities. IMS Research has estimated that retailing businesses will contribute approximately 25% of the digital advertising market in 2015.

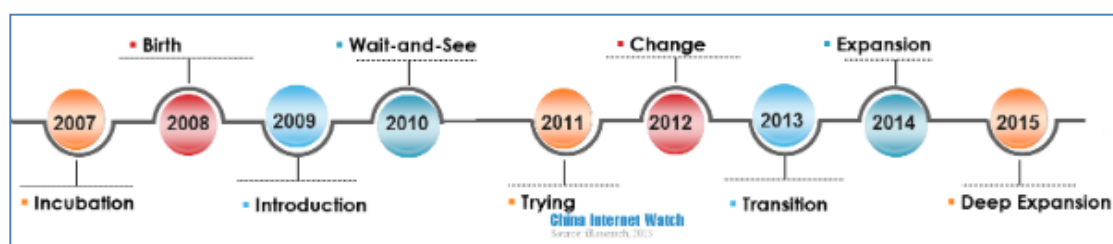
In 2014, the total transaction value of China mobile advertising market (mobile search), app ad and mobile video ad involved) was RMB29.69 billion (US\$4.84 billion) according to data of *iResearch*.

## Mobile Advertising:

Between 2012 and 2014, the annual growth rates were all over 100%. It is estimated that China's mobile advertising market will keep rapid growth and is most likely to grow faster than online advertising market in China as shown in the graph below:



Since 2007, mobile apps experienced outbreak development, the number of apps went up dramatically. With high creation in mobile apps, users grew fonder and fonder. Advertising based on mobile apps also grew and gradually gained recognition from users. 2013 is the transition period of mobile advertising, early investment in mobile ads began to repay and boost the growing of those companies. Platforms have built up their own features with the fierce competition in mobile advertising.





## SECTION 9: COMPANY OVERVIEW

### 9.1 GROUP STRUCTURE

Beijing News Focus Culture Company Limited ("NFM Beijing" or 北京讯众文化发展有限公司) is a company incorporated and organized under the laws of China as a wholly owned by Shanghai News Focus Investment Management Company Limited ("NFM Shanghai" or 上海讯众投资管理有限公司), a company incorporated and organized under the laws of China. NFM Shanghai is a Wholly Owned Foreign Entity ("WOFE") of New Focus Company Limited ("NFM HK"), a company incorporated and organized under the laws of Hong Kong.

The financial information of the Company for the year ended 31 December 2014 based on its NFM Beijing audited accounts; the financial information of the Company for the period ended 30 September 2015 based on its management accounts are provided in Section 12 of this Information Memorandum.



## 9.2 ABOUT THE COMPANY

Beijing New Focus Culture Development Company Limited ("NFM Beijing") is a company incorporated and organized under the laws of China on 8 April 2011.

In accordance to the Business License issued by Beijing City Administration for Industry & Commerce on 8 April 2011, and the issuance of Approval Letter on Corporative Investment of Natural Person Investment or Holding PRC issued by Beijing City Council. It has Registration Number of 91110105573225303Q. The summarized information of NFM Beijing is as follow:

- a) Company Name: Beijing New Focus Culture Development Company Limited
- b) Domicile: Room 808, Unit 2, Level 7, Building 2-2-1, No. 82, Middle-East of 4th Ring Road, Chaoyang District, Beijing, China 100124
- c) Type of Company: Limited Company (Natural Person or Investment Holding)
- d) Established Date: April 8, 2010
- e) Operating period: From April 8, 2010 to April 7, 2031
- f) Total investment: RMB 8 million
- g) Registered Capital: RMB 8 million, fully paid-up capital
- h) Shareholders: Shanghai New Focus Investment Management Company Limited

Business Scope:

- Organizing Culture and Art Activity;
- Undertaking Exhibition, Design, Production, Adverting Agents and Advertising;
- Corporate Image Planning, Film and Television Planning, Literary and Artistic Creation, Conference Services;

- Leasing Film and Television Equipment, Stage Design, Graphic Design and Technical Extension Services;
- Economic Information Research and Market Survey;
- Network Technology Services;
- Sale of household electrical appliances, stationery, electronics, computer and software and auxiliary equipment, Machinery and equipment, Building materials, Communications Equipment, Medical Equipment (1) limited

i) Legal representative: Ms. Wan Ying

Since the inception of NFM Beijing, the company has aggressively developed its business in China, and has achieved its initial target. The management will continue gradually to develop its business to a larger scale and to enlarge its market share by introducing latest affordable products and services to the market. NFM Beijing will work closely with certified Research and Development institutes to promote new products and to enhance advanced technology and technique for the benefit of consumers.

With the vision and mission to develop NFM Beijing into a full service and full scale advertising entity, NFM has an experienced management team which will be able to withstand all challenges in the advertising industry.

**NFM** is the abbreviation of New Focus Media.



### 9.2.1 Company's Operation and its Facility

There are 44 employees in NFM, and NFM has a modern and comprehensive operating office that can deliver quality products and services.



### 9.3 Related Industry Experience

The founding members of NFM have been engaged in advertising businesses for more than 15 years. NFM has been in operation since 2011 and is considered by the management to have sufficient industry experience to continue operating at its current level. The management of NFM has plans to expand its business by introducing more effective and efficient advertising related products.

### 9.4 Board of Directors and their Interests

Director Name	Position	Nationality Citizenship	Shareholding as at the date of this Information Memorandum	
			Direct (%)	Indirect (%)
Zheng Bowen	Executive Director / Executive Chairman	China	34.986	-
Zheng Jianfu	Executive Director	China	-	-
Zhang Ye	Executive Director	China	-	-
Liang Shuai	Independent	China	-	-

	Non-Executive Director			
Xiao Feng	Independent Non-Executive Director	China	-	-

Note:

# Zheng Bowen is deemed interested in the shareholdings of:

(a) his mother, Wan Ying (171,200,000 ordinary shares).

\* Zheng Jianfu is the father of Zheng Bowen.

Further details on the background of the Directors are found in Section 11 of this Information Memorandum.

## 9.5 Directors' Interest

A Director may hold any office or place of profit (other than as auditor) in any company within the Group and may contract with the Company either as vendor, purchaser or otherwise. As of the date of this Information Memorandum and as set out below, no contract or arrangement exists where a Director is materially interested.

A director of the Company who is interested in a transaction entered into or to be entered into by the Company may (i) vote on a matter relating to the transaction, (ii) attend a meeting of directors at which a matter relating to the transaction arises and be included amongst the directors present at the meeting for the purposes of a quorum and (iii) sign a document on behalf of the Company, or do any other thing in his capacity as director, that relates to the transaction and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

Under the Constitution of the Company with the prior or subsequent approval by a resolution of members, the directors may, by a resolution of directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

## 9.6 Registered Agent

Manivest Xing Zhong (shanghai) Consulting Company Limited has been appointed as the registered agent of the Company, to perform duties as registered agent in accordance to the Company's Constitution.

## 9.7 Substantial Shareholders

The following shareholders hold more than 5% of the voting capital in the Company:

- Wan Ying who holds 171,200,000 Shares (representing 34.24% of the shares in the capital of the Company);
- Zheng Bowen holds 174,930,000 shares (representing of 34.99% of the shares in the capital of the Company);

## 9.8 Company Organization and Executive Management Team

### Board of Directors

Mr. Zheng Bowen	: Executive Director and Executive Chairman and CEO
Mr. Zhang Jianfu	: Executive Director
Mr. Zhang Ye	: Independent Non-Executive Director
Mr. Lian Shuai	: Independent Non-Executive Director
Mr. Xiao Feng	: Independent Non-Executive Director

### Executive Management Team

Executive Chairman & Chief Executive Officer (CEO)	Mr. Zheng Bowen
Chief Technical Officer (CTO)	Mr. Zhang Yunlong
Chief Financial Officer (CFO)	Ms. Cheng Yi
Marketing Director	Mr. Wang Jifu



Further details on the background of the Directors and Executive Management Team are found in Section 11 of this Information Memorandum.

## **SECTION 10: BUSINESS**

### **10.1 Executive Summary**

China has undergone the most unprecedented social and economic transformation the world has ever seen. It has realized rapid economic growth, accompanied by a huge & rapid shift to urban living, and is rocketing incomes higher and creating a broad base of middle class with knowledge of branding and demanding better services. Media advertising has become a powerful tool to bridge between manufacturers and consumers of all the marketable products.

NFM is a regional service type of Chinese cross-border new media company, and the Chinese CP2C new media business model has led NFM in BOAO Forum (2013-2015) as venue media for Asia, and has won number of awards of the domestic industry. NFM has completed the 3,000 media advertising equipment in Beijing area covering a population of 200,000 consumers. Our goal is to become China's leading service based media platform and 4A level's advertising operators to cover hundreds of millions Chinese in the public district, and with intention to open up the Australian market in the coming years. The Company has projected that the sales will be able to reached billions in RMB in the next 5 to 10 years if all their plans are successfully implemented. The Company has the mission to achieve the target because:

- We will have the best customer service system
- We have an excellent design team
- We have an experienced marketing team
- We have our own media platform and technical know how
- We connect the mobile Internet to open multi- screen interactive mode

The Company, a new media entity has unique office media channels that have multi-screen interactive functions which make advertising accessible and efficient. With the combination of mobile phone, mobile terminal, new product development, and sale of products connected on-line and off-line, these factors achieve efficient advertising, appeal to consumers and have the ability to provide media coverage to millions of people.

The advantages of the Company's technology and business activity is its leading technology platform, innovative product system, creative design team, efficient



execution team, creative practice, and its new application of multi-screen technology.

## 10.2 Our Products and Services

The Company has the following products and services:

### **Our Products:**

- a. Water Drinking Machine Media
- b. Mobile Terminal Media Platform



### **Our Services:**

Our media services consist of the following:

- a. Advertisement Release and Design
- b. Advertisement Photocopy
- c. Market Events Implementation
- d. Copy Planning
- e. Public Relations Activities Planning
- f. Brand Strategy and Design
- g. Media Strategy

### 10.3 Our Marketing Strategy and Network

- a. Product development and design updating; the introduction of media customization strategy and media model to suit different occasions, the research & development of APP interactive platform, open multi-screen linkage, media access mobile terminal, increase number of audience and degree of adhesion, achieving user customization, big data analysis, and formation of media industry chain closed loop.
- b. Sales differentiation; focus on delivery time and frequency, regional sales analysis, the crowd to carry out different pricing strategy, enhancing advertisement, sales data analysis, demand commercialization and customization, and efficiency.
- c. Increase media landing channel; maintaining the development of existing office media, expanding to airport, railway stations, shopping malls and other public areas, improving the adhesion of media, and enhancing advertising operation leverage.
- d. National network coverage; with the continuous development of second, third and fourth tier cities in China, the Company will use the Beijing business model to expand its business into those potential cities, and with the mobile phone and terminal, it will quickly cover the nationwide population.
- e. The Company will frequently and continuously participate in academic forums to promote its products and services, and will cooperate with industry associations and organizations in research and development.



## **10.4 Competitive Strength and Growth Strategy**

### **Experience and Management**

The founding shareholders have more than 15 years of experience in dealing with media advertising products, and the Company has experienced personnel in board of directors, technical advisory panel, and senior management to ensure the ultimate performance of the Company. The Company continuously works with reputable research institutes in new product development, exchanging technology ideas, ensuring product efficiency and effectiveness.

The management has set a 3 and 5 years business plan by penetrating its operation into more 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> tier cities where the Company can achieve operating cost effectiveness and capture bigger market share by having larger middle income group of customers.

### **Expanding Customer Database**

The Company will continue to grow its customer database using aggressive marketing and to create awareness of business branding and to provide efficient services to consumers.

### **Ever Growing and Supported Industry**

The Chinese media advertising market is changing rapidly influenced by diversified media market opportunities, and supported by new government stimulus policies by introduction of a series of economic and consumption changes. The continuous economic activities and social stability will provide greater space for media advertising to grow and to reach out to more product users.

## **10.5 Government and Industry Support**

The Premier Office has issued reports and instructions on the advertising industry in the following manner:

- a. August 2014, Central Comprehensive Deepening Reform Leading Group in the fourth meeting had considered and adopted the "Guiding Opinions on Promoting the Integration of Traditional Media and New Media Development". Premier Xi Jinping stressed the need to focus on creating a number of diverse forms, advanced means, a new type of competitive mainstream media, and to build a few credible and influence new media groups in China.
- b. In 2015, Party Secretary General Xi Jinping emphasized on a series of important speeches; to continue to strengthen the protection of historical and cultural resources, to carry forward the fine traditional culture heritage, to vigorously develop cultural undertakings and industry, to combine the local cultural characteristics to build the brand, and to constantly enhance the cultural soft

power, to further improve the public cultural service system, and to promote cultural projects with cultural needs of the masses, and to ensure that the cultural benefits of the policy measures to be implemented.

c. In 2015, the government had proposed the development of "Internet +" action plan, marking the official launch of China's network power strategy. Under this strategic layout, the new media developed into a new stage reflected in the following aspects:

- China has become a major mobile internet usage country
- Micro communication is becoming a mainstream mode of transmission
- The Internet has become a mainstream way to strengthen the rule of law
- China's internet companies continue to enhance international influence
- A variety of media and rapid development of the media convergence transition

## 10.6 Licenses



## 10.7 Related Parties

The Group has no related party transactions as of the date of this Information Memorandum

## 10.8 Material Agreement

- (a) 2 Shareholders (including a Director) of the Company ("Escrowed Shareholders") representing approximately 69.23% of the entire issued and

paid-up Shares of the Company, have executed agreements with the Company whereby the Escrowed Shareholders agreed not to dispose of, or agree of offer to dispose of the restricted securities; or do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities for a period of 24 months from the date the Shares are admitted to trading on the NSX.

- (b) Mr. Zheng Bowen had in April 2011 entered into an employment agreement with the Company as Executive Director and Executive Chairman. The agreement is on normal commercial terms.
- (c) Mr. Zhang Jianfu had in April 2011 entered into an employment agreement with the Company as Executive Director and Executive Chairman. The agreement is on normal commercial terms.

## **SECTION 11: DIRECTORS AND SENIOR MANAGEMENT**

### **BOARD OF DIRECTORS**



**Mr. Zheng Bowen**

**Executive Director and Executive Chairman and Chief Executive Officer**

Mr. Zheng Bowen is an Executive Director of NFM Group Limited, and is also the Executive Chairman & CEO managing the Group's operations. Mr. Zheng is an enthusiastic and talented young entrepreneur and is one of founders of New Focus Media Company Limited (NFM). He studied Finance and Economics in the Management Development Institute of Singapore (MDIS) for eight months, and then continued his studies to obtain a Doctorate of Business Administration (DBA) from the California American University of United States of America in 2010.

Upon graduation, he was employed by The Central People's Broadcasting Station as a Manager supervising the Planning Department. In 2011, he left his first job and founded New Focus Media Company Limited (NFM) with core businesses in the media industry focusing on advertising. Through his innovative and creative mindset, he has pioneered a new brand of media platform in China by implementing the interactive video customized advertising platform which has successfully gained many customers.

His charismatic and energetic leadership has led NFM to winning several awards at the prestigious BOAO Forum for the media industry. With his extended experience in strategic and branding operations in the media industry, Mr. Zheng endeavours to expand NFM's business operations and to gain more market share as well as bringing new innovative products to his clients.

Mr. Zheng, aged 29, is a resident of China



**Mr. Zhang Jianfu**  
**Executive Director**

Mr. Zhang is an Executive Director of NFM Group Limited. He graduated from The Central Party School of Economic Management of China. He has experience in business and worked with various international companies. He is an entrepreneur and a charitarian for many years.

Mr. Zhang is aged 54, and is a resident of China. He has more than 20 years of experience in different leadership roles throughout Asia that can be summarized as follow:

Period	Work Description
1995 - 1999	Marketing Director of Chongzen International Alliance Group of Taiwan, a real estate company having businesses in Asia such as Taiwan, Hong Kong and Mainland China.
1999 - 2003	Marketing Director of General counsellor of Xuanwei Group of Hong Kong.
2003 - 2005	Vice-Chairman of Charity Federation of Dalian.
2005 - 2007	He was founder and Chairman of Yuncha Hongsheng Investment Consulting Company Limited in Beijing. The company focused on investment in the industries such as real estate, mining and finance.
2007 - 2011	CEO of FAB Jingcai Enterprise Group, a company producing audio and video products for the entertainment industry.
2011 - now	One of the founders of New Focus Media Company Limited.
2014 - now	Club Minister of Business Club of Shenyang Province. This business club provides networks of interpersonal relationship with many companies.



**Mr. Zhang Ye**  
**Independent Non-Executive Director**

Mr. Zhang is an Independent Non-Executive Director of NFM Group Limited. He obtained a Master Degree in Business Administration from Victoria University of Technology joint program with Northern Transport University in 2004. He also completed IBA degree from Zhongao Business School of The Jiaotong University of Beijing in 2001.

Mr. Zhang has worked in the media industry as an advertising marketing expert for 18 years. He is the pioneer of Digital TV integrated operating platform in China, which led him to become Marketing Manager in 2004 with the China Central Television. In 2009, he joined Happy Shopping TV program, a successful radio program of China National Radio as Marketing Director and then worked his way up from Operating Director, Senior Director of Administrative Department and now is Vice - General Director of China National Radio.

Mr. Zhang, aged 42, is a resident of China.





**Mr. Liang Shuai**

**Independent Non-Executive Director**

Mr. Liang is the Non-Executive Independent Director of NFM Group Limited. He obtained a Bachelor Degree majoring in Politics from the University of Chinese Armed Police Force, and was a former enforcement officer.

Presently, he is the Chairman of Huashuai (Beijing) International Investment Company Limited, and is a founding member and President of Zhongyue Brothers Media (Beijing) Technology Company Limited. Mr. Liang is also the Partner of Hongxin (Hong Kong) Industrial Company Limited.

Mr. Liang has many years of experience in the media industry which has enabled him to build a vast network of interpersonal relationship within the media industry.

Mr. Liang, aged 33, is the resident of China.



**Mr. Xiao Feng**

**Independent Non-Executive Director**

Mr. Xiao is the Non-Executive Independent Director of NFM Group Limited. He graduated in 1997 from Sichuan University with a Bachelor Degree majoring in Law. He continued his studies and completed Master Degree and Doctorate Degree from the China Civil Aviation University majoring in Politics and Law in 2004. He is a qualified lawyer with Chinese Legal Certification.

He worked for Sichuan Chengdu Legal Firm as a lawyer from 1999 to 2005. After many years of legal practice and with the experience he gained, Mr. Xiao founded his legal firm with 3 other partners. Meanwhile, he serves as legal counsel for many international companies and financial institutions, one of them is METLIFE. He has also published legal journals and books such as Economic Law and Commercial Law Practical Case Analysis and Business Prevention & Control of Trap, and many others.

Mr. Xiao, aged 46, is the resident of China.

## **SENIOR MANAGEMENT**



**Ms. Chen Ying**  
**Chief Financial Officer**

Ms. Chen is the CFO of the Company. She has a Master Degree from the Inner Mongolia University of Technology. She is also a Certified Public Accountant (CPA) since 1998. She has more than 30 years of accounting experience.

From 1981 to 1994, Ms. Chen worked as a teacher in Qingdao University of Inner Mongolia University of Technology. She then joined Datang Power Generation Company Limited in Inner Mongolia from 1994 to 2011 as Senior Financial Management Experts and Financial Director, and was responsible for hosting talks and discussions with the World Bank on developmental/project loan and its mechanism, establishing financial and accounting systems, and was involved in two state-owned enterprises' restructuring schemes.

Ms. Chen, aged 58, joined the Company as CFO in 2012, and is the resident of China.



**Mr. Zhang Yulong**  
**Chief Technical Officer**

Mr. Zhang is the Chief Technical Officer of the Company, and obtained a Master Degree in 1997 from Xi'an Electronic and Science University majoring in Computer Application. He has 15 years of experience in management, resource integration and operations, and is proficient in product architecture design, R&D management, and project management. He has mastered systems which are based on Windows and Linux servers, storage, network architecture, system integration, large-scale data management, disaster preparedness, migration, and security defence.

With his nature of work, he is familiar with the network programming and TCP/IP protocol, HTTP, FTP protocol, J2EE application based on Oracle database, JAVA, PHP program based on MYSQL, application development based on Android platform and HTML, DIV, CSS, JavaScript and other front-end technology and DOM, BOM, XML, JSON and other technical standards and specifications, and has also successful experience with large project development, management and operations. In addition, he is able to handle the Company's financial management and cost control, market planning, marketing management, and key customers relationship maintenance simultaneously.

Mr. Zhang manages Company's technology research and development, technology management, and system maintenance. He structures and develops News Focus Business Simulcast System which is the "News Focus Custom Edition and Universal Edition", and also structures and develops "News Focus Equipment Inspection and Control System" which is the operate, maintain and technology management of "News Focus Water Media". Mr. Zhang has 15 years of IT experience. He is aged 39, and is a resident of China.



**Mr. Wang Jifu**  
**Marketing Director**

Mr. Wang is the Marketing Director of the Company. He obtained a Bachelor Degree from Beijing Union University majoring in advertising.

In 2008, Mr. Wang started his career with Huayi Brothers media, a Qiming Oriental public relations firm as an execution planner, and was responsible for the completion of 2008 RUN ZE manor fashion ceremony public relations activities. During the same year, he joined Guizhou Provincial TV stations, JIA YOU home shopping channels as the person in charge of the planning, and assisting in home shopping channel launch and operations. In 2010, he was employed by CNR (China National Radio) home shopping channel as a Channel Brand Planning Director responsible for all channel program sections and broadcast set content planning, and also assisted in establishing the first phase of the channel's VI design.

In 2011, Mr. Wang joined the Company and is responsible for the training of a high-quality business team, and in the Company's media platform advertising investment plan.

He is also in charge of market development, implementation of business assessment indicators, and related assessment indicators.

Mr. Wang has bilingual skills, and can communicate in English and Mandarin. He is aged 28, and is a resident of China.

## **SECTION 12: FINANCIAL INFORMATION**

### **Historical Financial Data**

The Company was incorporated on 4 September 2015 as a holding company for the group business. It has no substantial operating or trading history. The financial data of NFM Beijing, which is 100% subsidiary of the Company in 8 April 2011, is considered relevant.

Set out below is the summary of the following financial information:

- Financial information of NFM Beijing for the year ended 31 December 2014 based on its audited accounts;
- Financial information of the Group on a consolidated basis for the period ended 30 September 2015, considered to be a combination of entities under common control for accounting purposes and as if they were combined as of the beginning of the period regardless of the actual date of the transaction.

Complete set of audited financial statement and most recently available management financial statements for the Company and its subsidiary, are available for inspection at the Company's registered office. A summary of the same are as set out next. (1 RMB = \$0.20361 AUD as at 1 September 2015).

## Extract of financial statement of NFM Beijing

### 1. EXTRACT OF INCOME STATEMENT

Description	12 Months Ended Audited 31.12.2014	12 Months Ended Audited 31.12.2013
	AUD	AUD
Revenue	1,554,031	487,636
Cost of Sales	(289,384)	(79,902)
Gross Profit	<b>1,264,647</b>	<b>407,734</b>
Other income	393	-
Selling expenses	(92,021)	(9,579)
Administration expenses	(1,079,885)	(346,164)
Finance costs	(307)	304
<b>Profit/(Loss) before income tax expense</b>	<b>92,827</b>	<b>52,295</b>
Income tax expense	(23,207)	(13,074)
<b>Net profit/(loss) after income tax expense</b>	<b>69,620</b>	<b>39,222</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences	85,173	61,710
<b>Other comprehensive (loss)/income for the year, net of tax</b>	<b>85,173</b>	<b>61,710</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>154,793</b>	<b>100,932</b>

## 2. EXTRACT OF BALANCE SHEET

### STATEMENT OF FINANCIAL POSITION

	31/12/2014 AUD	31/12/2013 AUD
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	985,371	319,614
Trade and other receivables	327,821	671,075
<b>TOTAL CURRENT ASSETS</b>	<b>1,313,192</b>	<b>990,689</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	67,040	52,053
<b>TOTAL NON-CURRENT ASSETS</b>	<b>67,040</b>	<b>52,053</b>
<b>TOTAL ASSETS</b>	<b>1,380,232</b>	<b>1,042,742</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,149,159	911,760
Current income tax liabilities	20,344	13,336
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,169,503</b>	<b>925,096</b>
<b>TOTAL LIABILITIES</b>	<b>1,169,503</b>	<b>925,096</b>
<b>NET ASSETS</b>	<b>210,729</b>	<b>117,646</b>
<b>EQUITY</b>		
Contributed equity	308,729	308,729
Reserves	85,173	61,710
Accumulated losses	(183,173)	(252,793)
<b>TOTAL EQUITY</b>	<b>210,729</b>	<b>117,646</b>



## Extract of the Consolidated Accounts as at 30 September 2015 for the Company

### 1. INCOME STATEMENT for the period ended 30 September 2015

	30/09/2015 AUD	31/12/2014 AUD
Revenue	783,947	1,554,031
Cost of sales	(154,373)	(289,384)
<b>Gross profit</b>	<b>629,573</b>	<b>1,264,647</b>
Other income	218	393
Selling expenses	(42,400)	(92,021)
Administration expenses	(610,867)	(1,079,885)
Finance costs	1,287	(307)
<b>Profit/(Loss) before income tax expense</b>	<b>(22,189)</b>	<b>92,827</b>
Income tax expense		(23,207)
<b>Net profit/(loss) after income tax expense</b>	<b>(22,189)</b>	<b>69,620</b>
<b>Other comprehensive income</b>		
Foreign currency translation differences	3,805	85,173
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>3,805</b>	<b>85,173</b>
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(18,384)</b>	<b>154,793</b>

## 2. BALANCE SHEET for the period ended 30 September 2015

### STATEMENT OF FINANCIAL POSITION

	30/09/2015 AUD	31/12/2014 AUD
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,328,367	985,371
Trade and other receivables	877,013	327,821
<b>TOTAL CURRENT ASSETS</b>	<b>3,205,380</b>	<b>1,313,192</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	59,465	67,040
<b>TOTAL NON-CURRENT ASSETS</b>	<b>59,465</b>	<b>67,040</b>
<b>TOTAL ASSETS</b>	<b>3,264,845</b>	<b>1,380,232</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,880,222	1,149,159
Current income tax liabilities	665	20,344
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,880,887</b>	<b>1,169,503</b>
<b>TOTAL LIABILITIES</b>	<b>1,880,887</b>	<b>1,169,503</b>
<b>NET ASSETS</b>	<b>1,383,958</b>	<b>210,729</b>
<b>EQUITY</b>		
Contributed equity	1,585,515	308,729
Reserves	3,805	85,173
Accumulated losses	(205,362)	(183,173)
<b>TOTAL EQUITY</b>	<b>1,383,958</b>	<b>210,729</b>

## **Working Capital**

As of the date of this Information Memorandum, the Directors are of the opinion that the Company has sufficient working capital to support its existing business as stated in this Information Memorandum. Notwithstanding the foregoing, the Directors intend to expand the Company's business and such expansion plans require the deployment of significant additional capital. Such capital is not available to the Company solely as a result of profits earned through its existing operations and the Directors intend that the Company will seek to raise new equity capital through a new issue of shares in the future subject to the Listing Rules, the Act and the Company's constitution.

## **Group Cash Flow & 9 Months Expenses**

As of 30 September 2015, the Group has cash and cash equivalents AUD2,328,367, receivables of AUD877,013 and incurred operating expenses of average AUD72,728 per month for the past 9 months.

Based on this level of expenditure and the current availability of cash and liquid assets and on the assumption that no further revenue is realized for the next 24 months, and provided there are no significant increases in operating costs, the Group will be able to meet its expenses and continue operations by utilizing its existing resources.

## **Changes in Financial Position**

The Directors assert that to the best of their knowledge, there have been no adverse material changes to the financial or trading position of the Group since the date of the last available management accounts, for the period ended 30 September 2015.

## **Lock-up Agreements**

2 Shareholders (including a Director) of the Company ("Escrowed Shareholders") representing approximately 69.23% of the entire issued and paid-up Shares of the Company, have executed agreements with the Company whereby the Escrowed Shareholders agreed not to dispose of, or agree of offer to dispose of the restricted securities; or do, or omit to do, any act if the act or omission would have the effect

of transferring effective ownership or control of the restricted securities for a period of 24 months from the date the Shares are admitted to trading on the NSX.

## **SECTION 13: CORPORATE GOVERNANCE**

The composition of the Board of Directors of the Company may be altered from time to time by ordinary resolution passed at a general meeting of the Company. One third of the Directors in office must retire at each annual general meeting. The Directors to retire will be those who have been longest in office since their last election. No Director shall hold office for more than three years, or past the third annual general meeting following its appointment or election, whichever is longer. Unless otherwise disqualified under the Act or the Constitution, a Director who retires or whose office is vacated will be eligible for re-election to the Board. There is no mandatory retirement age for Directors and there is no share qualification necessary to be held by Directors. The Board is currently of the view that the composition of the Board is appropriate for the Company at this stage of its development.

## **SECTION 14: CHINA REGULATORY OVERVIEW**

This summary of China's Regulatory Overview; NFM operates its businesses in China and outlines a summary of relevant China laws and regulations that might affect its operations in this Section.

### **1. The PRC legal system**

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations and directives. Decided court cases do not constitute binding precedents.

The National People's Congress of the PRC ("NPC") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise legislative power of the state. The NPC has the power to amend the PRC Constitution and to enact and amend primary laws governing the state organs, civil and criminal matters. The Standing Committee of the NPC is empowered to interpret, enact and amend laws other than those required to be enacted by the NPC.

The State Council of the PRC is the highest organ of state administration and has the power to enact administrative rules and regulations. Ministries and commissions under the State Council of the PRC are also vested with power to issue orders, directives and regulations within the jurisdiction of their respective departments. Administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must not be in conflict with the PRC Constitution or the national laws and, in the event that any conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders enacted by the State Council and the State Council has the power to annul such directives, orders and regulations issued by its ministries and commissions.

At the regional level, the people's congresses of provinces and municipalities and their standing committees may enact local rules and regulations and the people's government may promulgate administrative rules and directives applicable to their own administrative area. These local laws and regulations may not be in conflict with the PRC Constitution, any national laws or any administrative rules and regulations promulgated by the State Council.

The power to interpret laws is vested by the PRC Constitution in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (全国人民代表大会常务委

员会关于加强法律解释工作的决议) passed on 10 June 1981, the Supreme People's Court is empowered to issue general interpretations on the application of laws in judicial proceedings in addition to its power to issue specific interpretations in specific cases. The State Council and its ministries and commissions are also vested with the power to issue interpretations of the rules and regulations which they promulgated. At the regional level, the power to issue interpretations of regional laws is vested in the regional legislative and administration organs which promulgate such laws. All such interpretations carry legal effect.

## **2. Judicial system**

The People's Courts are the judicial organs of the PRC. Under the PRC Constitution (中华人民共和国宪法) and the Law of Organisation of the People's Courts of the People's Republic of China (中华人民共和国人民法院组织法), the People's Courts comprise the Supreme People's Court, the People's Local Courts, military courts and other special People's Courts. The People's Local Courts are divided into three levels, namely, the basic People's Courts, intermediate People's Courts and higher People's Courts. The basic People's Courts are divided into civil, criminal, administrative and economic divisions. The intermediate People's Courts have divisions similar to those of the basic People's Courts and, where the circumstances so warrant, may have other special divisions (such as intellectual property divisions). The judicial functions of the People's Courts at lower levels are subject to supervision of the People's Courts at higher levels. The People's procuratorates also have the right to exercise legal supervision over the proceedings of the People's Courts of the same or lower levels. The Supreme People's Court is the highest judicial organ of the PRC. It supervises the administration of justice by the People's Courts of all levels.

The People's Court adopts a two-tier appeal system. At first instance a party may, before a judgment or order takes effect, appeal against the judgment or order of a Local People's Court to the People's Court of the next higher level. Judgments or orders at the second instance of the same level of the People's Court or at the next higher level of the People's Court are final and binding. Judgments or orders of the first instance of the Supreme People's Court are also final and binding. If, however, the Supreme People's Court or a People's Court of a higher level finds an error in a final and binding judgment of any People's Court of a lower level which has taken effect, or the presiding judge of a People's Court finds an error in a final and binding judgment which has taken effect in a court over which he presides, a retrial of the case may be ordered according to the judicial supervision procedures.

The PRC civil procedures are governed by the Civil Procedure Law of the People's Republic of China (中华人民共和国民事诉讼法) (the "Civil Procedure Law") amended and adopted on 28 October 2007. The Civil Procedure Law governs the institution of a civil action, the jurisdiction of the People's Courts, the procedures for the conduct of a civil action, trial procedures and procedures for the enforcement of a civil judgment or order. All parties to a civil action conducted within the territory of the PRC must comply with the Civil Procedure Law. A civil case is generally heard by a court located in the defendant's place of domicile. The jurisdiction may also be selected by express agreement of the contractual parties provided that the jurisdiction of the People's Court so selected is connected with the dispute, that is to say, the plaintiff or the defendant is located or domiciled, or the contract was executed or performed in the jurisdiction selected, or the subject-matter of the proceedings is located in the jurisdiction selected. In respect of litigation, a foreign national or foreign enterprise is accorded the same rights and subject to the same obligations as a citizen or legal person of the PRC. If any party to a civil action refuses to comply with a judgment or order made by a People's Court or an award made by an arbitration body in the PRC, the aggrieved party may apply to the People's Court to enforce the judgment, order or award. There are time limits on the right to apply for such enforcement shall be two years.

A party seeking to enforce a judgment or order of a People's Court against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgment or order. A foreign judgment or ruling may also be recognized and enforced according to the PRC enforcement procedures by the People's Courts in accordance with the principle of reciprocity or if there exists an international or bilateral treaty with or acceded to by the foreign country that provides for such recognition and enforcement, unless the People's Court considers that the recognition or enforcement of the judgment or ruling will violate fundamental legal principles of the PRC or its sovereignty, security or social or public interest.

### **3. Arbitration and enforcement of arbitral awards**

The Arbitration Law of the PRC (中华人民共和国仲裁法) (the "Arbitration Law") was promulgated by the Standing Committee of the NPC on 31 August 1994 and came into effect on 1 September 1995. It is applicable to, among other matters, trade disputes involving foreign parties where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an



arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the PRC Civil Procedure Law. Where the parties have by an agreement provided arbitration as a method for dispute resolution, the parties are not permitted to institute legal proceedings in a People's Court.

Under the Arbitration Law, an arbitral award is final and binding on the parties and if a party fails to comply with an award, the other party may apply to the People's Court for enforcement. A People's Court may refuse to enforce an arbitral award made by an arbitration committee if there were mistakes, an absence of material evidence or irregularities over the arbitration proceedings, or the jurisdiction or constitution of the arbitration committee.

A party seeking to enforce an arbitral award of a foreign affairs arbitration body of the PRC against a party who or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty or bilateral treaty concluded or acceded to by the PRC.

In respect of contractual and non-contractual commercial-law-related disputes which are recognized as such for the purposes of the PRC law, the PRC has acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Award ("New York Convention") adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made by a state which is a party to the New York Convention shall be recognized and enforced by other parties to the New York Convention subject to their right to refuse enforcement under certain circumstances including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC at the time of the accession of the PRC that (1) the PRC would only recognize and enforce foreign arbitral awards on the principle of reciprocity and (2) the PRC would only apply the New York Convention in disputes considered under the PRC laws to be arising from contractual and non-contractual mercantile legal relations.

#### **4. Wholly Foreign-Owned Enterprise ("WFOE")**

WFOE is governed by the Law of the People's Republic of China Concerning Enterprises with Sole Foreign Investments (《中华人民共和国外资企业法》), which was promulgated on 12 April 1986 and amended on 31 October 2000, and its Implementation Regulations promulgated on 12 December 1990 and amended on 12 April 2001 (together the "WFOE Law").

##### ***(a) Procedures for establishment of a WFOE***

The establishment of a WFOE will have to be approved by the Ministry of Commerce ("MOC") (or its delegated authorities). In the case of a WFOE whereby two or more foreign investors jointly apply for the establishment of a WFOE, a copy of the contract between the parties must also be submitted to MOC (or its delegated authorities) for its approval and record. A WFOE must also obtain a business licence from the State Administration for Industry and Commerce (or its delegated authorities) ("SAIC") before it can commence business.

##### ***(b) Nature of WFOE***

A WFOE is a limited liability company under the WFOE Law. It is a legal person which may independently assume civil obligations, enjoy civil rights and has the right to own, use and dispose of property. It is required to have a registered capital contributed by the foreign investor(s). The liability of the foreign investor(s) is limited to the amount of registered capital contributed. A foreign investor may make its contributions by instalments and the registered capital must be contributed within the period as approved by MOC (or its delegated authorities) in accordance with relevant regulations.

##### ***(c) Profit distribution***

The WFOE Law provides that after payment of taxes, a WFOE must make contributions to a reserve fund and an employee bonus and welfare fund. The allocation ratio for the employee bonus and welfare fund may be determined by the enterprise. However, at least 10% of the after tax profit must be allocated to the reserve fund. If the cumulative total of allocated reserve funds reaches 50% of an enterprise's registered capital, the enterprise will not be required to make any additional contribution. The enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

## **SECTION 15:     ADDITIONAL INFORMATION**

### **Consents and Disclaimers**

Southasia Advisory Sdn Bhd has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Dowking Lawyers has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Manivest Xing Zhong (Shanghai) Consulting Company Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

BoardRoom Pty Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Goh, Tan, Choong & Co. (AF 0498) has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

### **Privacy**

The Company collects personal information from investors for the purposes of maintaining its share register and administering interests in the Company. Protecting the privacy of Investors is a key part of the Company's normal operations.

The Company does not disclose personal information to any outside third party organization, unless it is contracted to the Company to provide administrative services or activities on the Company's behalf. In this case, the Company ensures that the third party is bound by the same privacy rules which itself follows.

The information may also be used from time to time and disclosed to persons inspecting the CDI register, bidders for your CDIs in the context of takeovers, regulatory bodies, authorised securities brokers, print services providers, mail houses and the Company CDI registry.

Please note that you can access, correct and update the personal information that we hold about you or an associated entity. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Information Memorandum. Collection, maintenance and disclosure of certain personal information are governed by legislation and certain rules such as the Settlement Rules.

## **Rights of CDI Holders**

With the exception of voting rights CDI Holders have the equivalent rights as holders of ordinary Shares whereby the security is registered in their own name. This means that all economic benefits such as dividends, bonus issues, rights issue or similar corporate actions flow through to the CDI Holders as if the CDI Holder were the legal owner.

The ASX Settlement Operating Rules require the Company to give notices to the CDI Holders of general meetings of shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN to cast proxy votes in accordance with the CDI Holder's written directions. CDI Holders cannot vote directly at Shareholder meeting. The CDI Holder must convert their CDIs into certificated shares prior to the relevant meeting in order to vote at the meeting in person.

## **Converting from a CDI to a Share**

Holders may at any time convert their holdings of CDIs (tradeable on NSX) to certificated Shares:

1. For CDIs held through the issuer sponsored sub-register, contacting BoardRoom Pty Limited in Australia directly to obtain the applicable request form. The removed holding would then be registered into the same address that appeared on the Australian CDI register; or
2. For CDIs held on CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with BoardRoom Pty Limited in Australia to obtain and complete the request form.

Upon receipt of the request form, the relevant number of CIDs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and a registered share certificate be issued. This will cause your Shares to be registered on

the certificated Register of Members of the Company and trading will no longer be possible on NSX.

A holder of Shares may also convert their Shares to CDIs, subject to any escrow arrangements, by contacting BoardRoom Pty Limited of Australia or their stockbroker (or applicable controlling participant). In this case, the Shares registered in the Shareholder's name will be transferred to CDN and a holding statement in respect of the CDIs will be issued to the CDI Holder. The CDIs will be tradable on NSX.

## SECTION 16: DEFINITION

### **“NFM” or the “Company or the Group”**

means NFM Group Limited 讯众传媒集团有限公司 (BVI: 1883475 and ARBN: 608103678), a company incorporated in British Virgin Island and having its registered address at Floor 24, Building A Universal Mansion, No.172 Yuyuan Road, Jingan District, Shanghai, China, which is a holding company owned all the Company's operations and assets;

### **“NFM HK”**

means News Focus Company Limited (Company No. 1868267) a company incorporated in Hong Kong and having its registered address at Flat/RM A30, 9/F Silvercorp International Tower, 707-713 Nathan Road, Mongkok, Kowloon, Hong Kong, which is 100% own by NFM;

### **“NFM Shanghai”**

means Shanghai News Focus Investment Management Company Limited 上海讯众投资管理有限公司 (Registration Number: 310115400293137) a company incorporated in China and having its registered address at Shanghai China, which is 100% own by NFM HK;

### **“NFM Beijing”**

means Beijing News Focus Culture Company Limited 北京讯众文化发展有限公司 (Registration Number: 91110105573225303Q) a company incorporated in China and having its registered address at Room 808, Unit 2, Level 7, Building 2-2-1, No. 82 of Middle- East of 4th Ring Road, Chaoyang District, Beijing, China 100124, which is 100% own by NFM Shanghai;

### **“ACT”**

means the BVI Business Companies Act, 2004 (No. 16 of 2004) including any modification, extension, re-enactment or renewal thereof and any regulations made thereunder;

### **“ARBN”**

means Australian Registered Body Number used for non-company entities such as registerable Australian bodies, and for foreign companies, and is a nine digit number allocated by ASIC.

### **“ASIC”**

means the Australian Securities and Investment Commission;

### **“CDI”**

means a CHESS Depository Interest with each CDI being a unit of beneficial interest in one corresponding Share registered in the name of CDN;

<b>“CDI Holder”</b>	means a holder of a CDI;
<b>“CDN”</b>	means a CHESS Depository Nominees Pty Limited ACN 071 346 506;
<b>“CHESS”</b>	means Clearing House Electronic Sub-register System;
<b>“Corporations Act”</b>	means the Australian Corporations Act 2001 (Commonwealth of Australia);
<b>“Group”</b>	means the Company, NFMI and NFMT;
<b>“Listing Rules”</b>	means the listing rules of the NSX;
<b>“NSX”</b>	means the National Stock Exchange of Australia;
<b>“Settlement Rules”</b>	means the ASX Settlement Operating Rules;
<b>“Shares”</b>	means 500,000,000 fully-paid ordinary shares of the Company, having the rights as set forth in the Constitution of the Company;

## **SECTION 17: GLOSSARY OF TECHNICAL TERMS**

CAGR	: Compound Annual Growth Rate
EMA	: Europe, Middle East and Africa
RMB	: The renminbi is the official currency of the People's Republic of China
SEA	: South East Asia
USD or US\$	: United States of America Dollar