

Dear Mr. Zheng,

**NFM Group Limited (the “Company” or “NFM”)**

**Re: Continuous Disclosure Query**

NSX has noted a few news articles that were published on the Company's Chinese website ([www.nfmgroup.com.cn](http://www.nfmgroup.com.cn)) which have not been announced to the market.

1. Xianxia Town Project at Longquan City Zhejiang Province and the Company's new subsidiary Jiumao Technology (Beijing) Ltd, which was issued on 31 January 2018:  
<http://www.nfmgroup.com.cn/index.php?q=&m=article&a=index&id=168&cid=20>
2. VR Project with Phoenix Digital Technology Ltd, which was issued on 30 January 2018:  
<http://www.nfmgroup.com.cn/index.php?q=&m=article&a=index&id=167&cid=20>
3. The establishment of the Company's new subsidiary Chuangshi Zhihui (Beijing) Culture Development Ltd for NAGA CITY Project, which was issued on 30 January 2018:  
<http://www.nfmgroup.com.cn/index.php?q=&m=article&a=index&id=164&cid=20>
4. Investment Co-operation Project with Japan PIA Corporation about the NAGA CITY-JAPAN TOWN, which was issued on 30 January 2018:  
<http://www.nfmgroup.com.cn/index.php?q=&m=article&a=index&id=163&cid=20>

We also note that the Company has shifted its business focus since July 2017 from Media Advertising Industry to Cultural Tourism Real Estate Operation Service Industry to carry out the NAGA CITY Project.

In light of the above observations please respond to the following questions.

1. Please provide updates on the Xianxia Town Project, the VR Project and the Investment Co-operation Project with Japan PIA Corporation.
2. Please provide details of the Company's new subsidiaries - Jiumao Technology (Beijing) Ltd and Chuangshi Zhihui (Beijing) Culture Development Ltd.
3. Please confirm the current principal business activity of the Company.
4. Please explain why abovementioned information was not released to the market promptly.
5. Please explain how the Company believes it is in compliance with the listing rules and, in particular, listing rule 6.4.
6. Please advise if any remedial action will be taken by the Company so that the information is released to the Exchange first and on a timely basis rather than in the media?

Your response should be sent to me directly no later than 4pm on 14<sup>th</sup> February 2018. Your response will be released to the market along with a copy of this letter. If you wish to discuss the content of your response, please do not hesitate to contact me as soon as possible.

Please be reminded that the Issuer must comply with Chapter 6CA of the Corporations Act and Listing Rules Section IIA 6.4, 6.5 and 6.5A under continuous disclosure.

#### **Listing Rule 6.4**

The NSX continuous disclosure rule states:

Generally, and apart from compliance with all the specific requirements, the issuer shall keep the Exchange informed without delay, for dissemination of any information relating to the group of which it is aware that:

- is necessary to enable the Exchange and the public to appraise the financial position of the issuer and the group;
- is necessary to avoid the establishment of a false market in its securities; or

9 February 2018  
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- a reasonable person would expect to have a material effect on the price or value of its securities.

Such information must be made available to the Exchange before the time at which any other public announcement of the information is made.

These provisions will be breached by an issuer who intentionally, recklessly or negligently fails to notify the Exchange of information that:

- is not generally available; and
- a reasonable person would expect, if it were generally available, to have a material effect on the price or value of its securities.

Yours sincerely

**Ingrid Wei**  
**Market Surveillance Analyst**