

NFM GROUP LIMITED

Company Number: BVI-1883475 ARBN-608029125

Incorporated in British Virgin Islands

EXPLANATORY STATEMENT

- This Explanatory Statement has been prepared for shareholders to provide information about the items of business to be considered at the Annual General Meeting to be held at 10:00 am (Beijing Time) on Friday 24 May 2018.
- This Explanatory Statement should be read in conjunction with the Notice of Meeting.
- The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

1. Financial Statements and Reports

The Corporations Act requires the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 31 December 2018 to be laid before the AGM. Shareholders will be provided with a reasonable opportunity to ask questions about the reports. There is no requirement either in the Corporations Act or the Company's Constitution that the Shareholders vote on or approve the reports.

Shareholders can access a copy of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 31 December 2018 on the Company's website: www.nfmgroup.com.cn

2. Resolution 1 – Re-election of Mr. Zheng Jianfu as a Director

In accordance with the Clause 19 of the Company's Articles of Association, the director shall retire and being eligible for re-election offer them self for re-election at the annual general meeting of shareholders.

The directors, other than Mr. Zheng Jianfu, recommend that shareholders vote in favour of Resolution 1.

3. Resolution 2 – Re-election of Mr. Liong Shuai as a Director

In accordance with the Clause 19 of the Company's Articles of Association, the director shall retire and being eligible for re-election offer them self for re-election at the annual general meeting of shareholders.

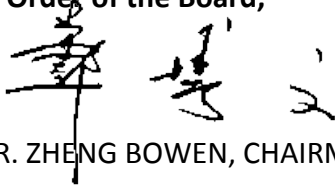
The directors, other than Mr. Liong Shuai, recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-appoint Messrs K.H. Chong & Co (AF 1258) as Auditors of the Company and to authorize the Directors to determine their remuneration

The Company Seeks to re-appoint Messrs K.H. Chong & Co (AF 1258) as Auditors of the Company and to authorize the Directors to determine their remuneration.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

By Order of the Board,

A handwritten signature in black ink, appearing to be 'Zheng Bowen', written over a horizontal line.

MR. ZHENG BOWEN, CHAIRMAN