

# **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 25 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 2017 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 2017 on the Company's website: [www.nfmgroup.com.cn](http://www.nfmgroup.com.cn)

### **2. Resolution 1 – Election of Mr. Zheng Bowen 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 Bowen, recommend that shareholders vote in favour of Resolution 1.

### **3. Resolution 2 – Election of Mr. Xiao Feng 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. Xiao Feng, 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.

The Corporations Act requires the Company to include in the directors' report for the year ended 31 December 2017 a detailed remuneration report setting out certain prescribed information relating to the remuneration of the Directors and certain members of the Company's senior management ("Remuneration Report") and to submit this Remuneration Report for adoption by resolution of the shareholders at the annual general meeting of the Company.

The Remuneration Report which included in NFM Annual Financial Report 31 December 2017:

- Outlines the Board's policy for determining the nature and amount of remuneration of Directors of the Company;
- Sets out remuneration details for each Director of the Company.

The Corporations Act requires that a resolution in relation to the Remuneration Report be put to the vote at the Company's AGM. The vote on the resolution is advisory only and does not bind the Directors or the Company. However, the Directors will consider the outcome of the vote when reviewing the Company's remuneration practices and policies.

The Chairman of the AGM will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

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

**By Order Of the Board,**



MR. ZHENG BOWEN, CHAIRMAN