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**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in TFG International Group Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **TFG INTERNATIONAL GROUP LIMITED**

**富元國際集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 542)**

### **PROPOSALS FOR (I) RE-ELECTION OF DIRECTORS (II) GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES (III) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company (“**AGM**”) to be held at the Longchamps Room I-II, 3/F., Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Hong Kong on Friday, 28 May 2021 at 10:30 a.m. is set out on pages 25 to 29 of this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the AGM (or any adjournment thereof) to the office of the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

27 April 2021

## DEFINITIONS

*In this circular, the following expressions have the following meanings, unless the context requires otherwise:*

“Adoption Date”	the date on which the New Share Option Scheme be adopted by ordinary resolution of the Company at the AGM
“AGM”	the annual general meeting of the Company to be convened on Friday, 28 May 2021 at 10:30 a.m. at the Longchamps Room I-II, 3/F., Regal Kowloon, Hotel, 71 Mody Road, Tsimshatsui, Hong Kong or any adjournment thereof
“AGM Notice”	the notice convening the AGM as set out on pages 25 to 29 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	TFG International Group Limited 富元國際集團有限公司, a company incorporated in the Cayman Islands with limited liability with its issued Shares listed on the Stock Exchange
“Directors”	directors of the Company
“Eligible Employees”	any employee (whether full time or part time employee, including any executive directors but not any non-executive director and independent non-executive director) of the Company, its Subsidiaries and any Invested Entity
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 8 June 2011
“Grantee”	any Participant (or any company wholly-owned by the Participant) who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Invested Entity”	any entity in which the Group holds an equity interest (irrespective of the percentage of such equity interest)

## DEFINITIONS

“Latest Practicable Date”	20 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“New Share Option Scheme”	the share option scheme proposed to be conditionally approved at the AGM, the principal terms of which are set out in Appendix II to this circular
“Option(s)”	an option to subscribe for Shares in accordance with the terms of the New Share Option Scheme
“Participant”	any of the following:  (aa) any Eligible Employee; and  (bb) any non-executive director (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	shares(s) of the Company
“Shareholders”	the shareholders of the Company from time to time
“Subsidiaries”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended, supplemented or otherwise modified from time to time
“%”	per cent.

## **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**LETTER FROM THE BOARD**

**TFG INTERNATIONAL GROUP LIMITED**

**富元國際集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 542)**

*Executive Directors:*

YANG Lijun (*Chairman*)  
GAO Jingyao

*Non-executive Directors:*

YU Shunhui  
WONG Kui Shing, Danny

*Independent non-executive Directors:*

CHAN Hoi Ling  
SO Wai Lam  
SUNG Yat Chun

*Registered office:*

The Offices of Sterling Trust  
(Cayman) Limited  
Whitehall House  
238 North Church Street  
George Town, Grand Cayman  
KY1-1102, Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Flat 403 and 405, 4/F.,  
Kowloon City Plaza,  
128 Carpenter Road,  
Kowloon City, Kowloon,  
Hong Kong

27 April 2021

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR  
(I) RE-ELECTION OF DIRECTORS  
(II) GENERAL MANDATES TO ISSUE SHARES AND TO  
REPURCHASE SHARES  
(III) TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the grant of general mandates to allot, issue and deal with Shares and purchase Shares and, subject to the passing of the resolutions approving the grant of the aforesaid general mandates, to extend the general mandate to allot, issue and deal with Shares by an amount not exceeding the amount of Shares repurchased by the Company under the authority to purchase; and (iii) the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

## LETTER FROM THE BOARD

### PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to Article 112 of the Articles of Association, the Board shall have power at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy, or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with the Articles of Association. Subject to the provisions of the Articles of Association, any Director so appointed by the Board shall hold office only until the next following general meeting of the Company in the case of filling a casual vacancy or until the next following annual general meeting of the Company in case of an addition to the Board, and shall then be eligible for re-election at the meeting and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Accordingly, Mr. Gao Jingyao (“**Mr. Gao**”) shall only hold office as Director until the AGM, and being eligible, offers himself for re-election at the AGM.

Pursuant to Articles 106 and 107 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years. Accordingly, Ms. So Wai Lam (“**Ms. So**”), Mr. Wong Kui Shing, Danny (“**Mr. Wong**”) and Yang Lijun (“**Mr. Yang**”) shall be subject to retirement by rotation at the AGM, and being eligible, they offer themselves for re-election at the AGM.

All of Ms. So, Mr. Wong and Mr. Yang have extensive working experience, knowledge and educational background in the fields of accounting, finance, business management and property development which allow them to provide valuable and relevant insights to the affairs of the Company and contribute to the diversity of the Board.

Brief biographical details of the Directors who are proposed to be re-elected at the AGM are set out below:

Mr. Gao Jingyao (“**Mr. Gao**”), aged 48, was appointed as an executive Director and a member of executive committee in February 2021. Mr. Gao graduated from 中山大學 (Sun Yat-Sen University) major in business administration. Mr. Gao also obtained a degree in master of business administration from 暨南大學 (Jinan University). Mr. Gao had over 20 years’ working experiences in financial services industry. From 2001 to 2014, Mr. Gao was employed by Industrial and Commercial Bank of China, and was the principal in certain subbranches in Zhongshan City, general manager of business department of Zhongshan Branch and deputy principal of Maoming Branch. From 2014 to January 2021, Mr. Gao was employed by Hua Xia Bank, and was the general manager of sales department of Guangzhou Branch and the principal of Zhongshan Branch.

## LETTER FROM THE BOARD

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Gao, pursuant to which (i) his term of appointment is for three years from 5 February 2021 to 4 February 2024 but he will be subject to retirement and rotation in accordance with the Articles of Association; and (ii) he is entitled to a director's fees of HK\$60,000 per month. The emoluments of Mr. Gao is determined with reference to the prevailing market conditions and his experience. The service contract may be summarily terminated with immediate effect without compensation by either the Company or Mr. Gao.

As at the Latest Practicable Date and save as disclosed above, Mr. Gao did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company nor had he any interests in the Shares within the meaning of the SFO, and did not hold any directorship in listed company in the previous three years nor hold any other positions in the Group. As at the Latest Practicable Date, there was no other matter that needed to be brought to the attention of holders of securities of the Company.

Save as disclosed above, as at the Latest Practicable Date, there was no other information in relation to Mr. Gao that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Ms. So Wai Lam ("**Ms. So**"), aged 39, was appointed as an Independent Non-Executive Director of the Company in October 2010. She holds a Bachelor's Degree in Science with double majors in Mathematics and Statistics from the University of British Columbia in Canada and a Master's Degree in Finance from the University of Hong Kong. Ms. So has over 14 years of experience in the corporate finance industry. She is a responsible officer of INCU Corporate Finance Limited, a licensed corporation which carries out Type 6 (Advising on corporate finance) regulated activity under the Securities and Futures Ordinance.

A letter of appointment which forms the basis of emoluments has been entered into between the Company and Ms. So, pursuant to which (i) her term of appointment is for one year from 1 January 2021 to 31 December 2021 but she will be subject to retirement and rotation in accordance with the Articles of Association; and (ii) she is entitled to a director's fees of HK\$10,000 per month. The emoluments of Ms. So is determined with reference to the prevailing market conditions and her experience.

As at the Latest Practicable Date and save as disclosed, Ms. So did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company nor had she any interests in the Shares within the meaning of the SFO and did not hold any directorship in listed company in the previous three years nor hold any other positions in the Group. As at the Latest Practicable Date, there was no other matter that needed to be brought to the attention of holders of securities of the Company.

Save as disclosed above, as at the Latest Practicable Date, there was no other information in relation to Ms. So that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

## LETTER FROM THE BOARD

Mr. Wong Kui Shing (“**Mr. Wong**”), aged 61, was appointed an executive director of the Company in August 2015, a Chief executive officer in November 2016, and redesigned a non-executive director in February 2019. Mr. Wong holds a Bachelor of Arts degree from the University of Hong Kong. He has extensive exposure in the financial and investment fields for over 30 years and is well experienced in the international investment market. He is currently an executive director of China Information Technology Development Limited (stock code 8178), an executive director and chief executive officer of BCI Group Holdings Limited (stock code: 8412) and an independent non-executive director of Far East Holdings International Limited (stock code 0036). Mr. Wong was previously an executive director of Greater Bay Area Dynamic Growth Holding Limited (stock code 1189), Huiyin Holdings Group Limited (formerly known as Share Economy Group Limited) (stock code 1178) and Larry Jewelry International Company Limited (stock code 8351), and an independent non-executive director of Tech Pro Technology Development Limited (stock code 3823).

A letter of appointment which forms the basis of emoluments has been entered into between the Company and Mr. Wong, pursuant to which (i) his term of appointment is for one year from 1 January 2021 to 31 December 2021 but he will be subject to retirement and rotation in accordance with the Articles of Association; and (ii) he is entitled to a director’s fees of HK\$30,000 per month. The emoluments of Mr. Wong is determined with reference to the prevailing market conditions and his experience.

As at the Latest Practicable Date and save as disclosed, Mr. Wong did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company nor had he any interests in the Shares within the meaning of the SFO and did not hold any directorship in listed company in the previous three years nor hold any other positions in the Group. As at the Latest Practicable Date, there was no other matter that needed to be brought to the attention of holders of securities of the Company.

Save as disclosed above, as at the Latest Practicable Date, there was no other information in relation to Mr. Wong that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Yang Lijun (“**Mr. Yang**”), aged 46, is the Chairman of the Board and an executive Director of the Company. Mr. Yang is also the Chairman of the Executive Committee of the Board. Mr. Yang had been the Chairman of the Board since May 2017 and was re-designated as the Co-chairman of the Board in August 2019. Mr. Yang has been re-designated as the Chairman of the Board since 1 June 2020. Mr. YANG is also directors of certain subsidiaries of the Company. Mr. Yang has more than 20 years’ experiences in property development, property investment and property management businesses in Hong Kong and the PRC. From 2004 to 2013, Mr. Yang was the president of 中山大南集團有限公司 (Zhongshan Danan Group Limited) (“**Zhongshan Danan**”). From 2014 to 2017, Mr. Yang was the president of 中山富元控股集團有限公司 (Zhongshan Fuyuan Holdings Group Limited) (“**Zhongshan Fuyuan**”). Mr. Yang is also the director and controlling or substantial shareholder of certain private companies, namely Yang’s Development Limited and Affluent Splendid Investment Holdings Limited both of which engage in property investment and development businesses in the PRC. Mr. Yang has jointly invested with Mr. YU Shunhui, the non-executive Director of the Company in certain projects together. Mr. Yang is directly interested in 100% shares of



## LETTER FROM THE BOARD

Jade Leader International Investment Limited (“**Jade Leader**”) and 100% shares of Honor Huge Investment Holdings Limited (“**Honor Huge**”), which own as to 100% interest in shares of All Great International Holdings Limited (“**All Great**”), which owned as to 44.44% interest in the issued shares of the Company. Mr. Yang also personally holds 11,608,000 shares of the Company. Mr. Yang is a sole director of Jade Leader, Honor Huge and All Great respectively.

A letter of appointment which forms the basis of emoluments has been entered into between the Company and Mr. Yang, pursuant to which (i) his term of appointment is for three years from 29 August 2019 to 28 August 2022 but he will be subject to retirement and rotation in accordance with the Articles of Association; and (ii) he is entitled to a year end discretionary bonus. The emoluments of Mr. Yang is determined with reference to the prevailing market conditions and his working experience.

As at the Latest Practicable Date and save as disclosed, Mr. Yang did not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, there was no other matter that needed to be brought to the attention of holders of securities of the Company.

Save as disclosed above, as at the Latest Practicable Date, there was no other information in relation to Mr. Yang that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### **PROPOSED GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**

It will be proposed at the AGM an ordinary resolution, which is set out in paragraph 4A of the AGM Notice granting the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the issued Shares as at the date of passing the resolution (the “**Issue Mandate**”).

As at the Latest Practicable Date, the Company had 6,946,350,040 Shares in issue. Subject to the passing of the resolution approving the Issue Mandate, the Company would be entitled under the Issue Mandate to allot, issue and deal with a maximum of 1,389,270,008 Shares.

It will be proposed at the AGM an ordinary resolution, which is set out in paragraph 4B of the AGM Notice granting the Directors a general mandate to exercise the powers of the Company to repurchase Shares up to a limit of 10 per cent of the issued Shares as at the date of passing the resolution (the “**Repurchase Mandate**”).

In addition, an ordinary resolution will be proposed at the AGM, which is set out in paragraph 4C of the AGM Notice, granting the Directors a general mandate to extend the Issue Mandate to allot, issue and otherwise deal with further Shares up to the aggregate number of the Shares purchased under the Repurchase Mandate, provided that such amount shall not exceed 10% of the issued Shares as at the date of passing the resolution.

An explanatory statement as required under the Listing Rules giving information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

## **LETTER FROM THE BOARD**

### **TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME**

The Existing Share Option Scheme was adopted by the Company pursuant to the ordinary resolution passed by the Shareholders on 8 June 2011. The Existing Share Option Scheme has a term of 10 years from its adoption date which will expire in June 2021. In order to enable the Company to continue to grant the share options to eligible participants as incentives or rewards for their contributions to the Group, the Board proposes to terminate the Existing Share Option Scheme and to adopt the New Share Option Scheme. An ordinary resolution will be proposed at the AGM to seek Shareholders' approval of the termination of the Existing Share Option Scheme and another ordinary resolution will be proposed at the AGM for adoption of the New Share Option Scheme.

No option had been granted under the Existing Share Option Scheme since its adoption. The Company has no intention to grant any options under the Existing Share Option Scheme from the Latest Practicable Date to the termination of the Existing Share Option Scheme.

#### **Principal terms of the New Share Option Scheme**

A summary of the principal terms of the New Share Option Scheme is set out in Appendix II to this circular. The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

The New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, at the time of the grant of the Options, the Company may specify such minimum period or performance target and the rules of the New Share Option Scheme provide that the Board may determine, at its sole discretion, such term(s) on the grant of an Option. The basis for determination of the exercise price is also specified precisely in the rules of the New Share Option Scheme. The Board believes this will provide the Board with more flexibility in imposing appropriate conditions in light of the circumstances of each grant and help facilitate the achievement of the purpose of the New Share Option Scheme.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee of the New Share Option Scheme, if any.

## LETTER FROM THE BOARD

### Conditions precedent of the New Share Option Scheme

The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution approving the termination of the Existing Share Option Scheme, or the expiry of the Existing Share Option Scheme;
- (ii) the passing of an ordinary resolution approving, inter alia, the adoption of the New Share Option Scheme by the Shareholders and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (iii) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

If the above conditions are not satisfied on or before 30 June 2021, the New Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme. As at the Latest Practicable Date, no Option had been granted or agreed to be granted under the New Share Option Scheme.

As at the Latest Practicable Date, there were 6,946,350,040 Shares in issue. Assuming no further Shares are issued prior to the Adoption Date, Options to subscribe for a total of 694,635,004 Shares may be granted under the New Share Option Scheme, representing 10% of the total issued Shares as at the Adoption Date.

Application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

### Value of the Options

The Directors consider it inappropriate to disclose the value of Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include but not limited to the exercise price, exercise period, any lock up period, any performance targets set and other variables. As no Option has been granted, certain variables are not available for calculating the value of Options. The Directors believe that any calculation of the value of Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

The full terms of the New Share Option Scheme can be inspected at the head office and principal place of business of the Company at Flat 403 and 405, 4/F., Kowloon City Plaza, 128 Carpenter Road, Kowloon City, Kowloon, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

## **LETTER FROM THE BOARD**

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution regarding the proposed adoption of the New Share Option Scheme at the AGM. The Company will comply with all applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme.

### **CLOSURE OF REGISTER OF MEMBERS**

The transfer books and register of members of the Company will be closed from 25 May 2021 to 28 May 2021, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 24 May 2021.

### **AGM**

A notice convening the AGM to be held at the Longchamps Room I-II, 3/F., Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Hong Kong on Friday, 28 May 2021 at 10:30 a.m. is set out on pages 25 to 29 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM (or any adjournment thereof) to the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

### **VOTING BY POLL AT THE AGM**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll. The chairman of the AGM will explain the detailed procedures for conducting a poll at the commencement of the AGM.

After the conclusion of the AGM, the poll results will be published on the website of the Stock Exchange and the website of the Company at [www.tfginternationalgroup.com](http://www.tfginternationalgroup.com).

**LETTER FROM THE BOARD**

**RECOMMENDATION**

The Directors are of the opinion that all the proposed resolutions are in the best interest of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all of resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board  
**TFG International Group Limited**  
**YANG Lijun**  
*Chairman*

The following is the explanatory statement required to be sent to the Shareholders under Rule 10.06(1)(b) of the Listing Rules to provide requisite information for the Shareholders to make an informed decision whether to vote for or against the resolution to approve the Repurchase Mandate at the AGM.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares in issue was 6,946,350,040 Shares. Subject to the approval of the Repurchase Mandate and on the basis that no further Shares are issued or purchased by the Company prior to the passing of the relevant resolution at the AGM, the Company will be allowed under the Repurchase Mandate to purchase a maximum of 694,635,004 Shares.

## **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. Such purchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such purchase will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF REPURCHASES**

In purchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of Cayman Islands, being the jurisdiction in which the Company is incorporated. A listed company may not purchase its own shares on the main board of the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Cayman Islands law provides that the amount to be paid in connection with a share repurchase may only be paid out of the capital paid up on the relevant purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on a repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. It is envisaged that the funds required for any purchase under the Repurchase Mandate would be derived from such sources.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts of the Company for the year ended 31 December 2020 in the event that the purchase of Shares under the Repurchase Mandate were to be carried out in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **4. SHARE PRICES**

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Price per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2020</b>		
April	0.2850	0.2460
May	0.2650	0.2430
June	0.2500	0.2240
July	0.2700	0.2100
August	0.2480	0.2120
September	0.2230	0.2000
October	0.2100	0.1800
November	0.2100	0.1800
December	0.2300	0.1700
<b>2021</b>		
January	0.2290	0.1420
February	0.1700	0.1480
March	0.1560	0.1400
April (up to the Latest Practicable Date)	0.1490	0.1100

#### **5. UNDERTAKING AND DISCLOSURE OF INTERESTS**

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), had any intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company had notified the Company that he/she/it had an intention to sell Shares to the Company and no core connected person (as defined in the Listing Rules) had undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## **6. TAKEOVERS CODE**

If on the exercise of the power to purchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date,

- (i) All Great was interested in 3,087,027,152 Shares;
- (ii) Mr. Yang Lijun:
  - (a) was the sole beneficial owner of the entire issued share capital of Jade Leader, which was interested in 51% of the issued share capital of All Great;
  - (b) was the sole ultimate beneficial owner of the entire issued share capital of each of Honor Huge and Ever Star International Investment Limited ("**Ever Star**"), which was interested in 35% and 14% of the issued share capital of All Great respectively; and
  - (c) was beneficially interested in 11,608,000 Shares.
- (iii) Mr. Yu:
  - (a) was the sole beneficial owner of the entire issued share capital of Rising Giant Investments Limited ("**Rising Giant**"), which in turn was interested in 164,712,000 Shares.

Accordingly, as at the Latest Practicable Date, All Great (which together with parties acting in concert (as defined in the Takeovers Code) with it, the "**Concert Group**") was interested in an aggregate of 3,263,347,152 Shares, representing approximately 46.98% of the issued share capital of the Company. In the event the Directors should exercise in full the Repurchase Mandate and if there is no other change in the issued share capital of the Company, the shareholding of the Concert Group will be increased to approximately 52.20% of the issued share capital of the Company. As a result, the Concert Group would become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, it was not the intention of the Directors to exercise the Repurchase Mandate in such manner as to trigger any general offer obligations.

## **7. SHARE REPURCHASES MADE BY THE COMPANY**

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



## **8.    PUBLIC FLOAT**

As at the Latest Practicable Date, the public float of the Company was 2,363,002,888 Shares, representing approximately 34.02% of the issued share capital of the Company. Assuming the exercise in full of the Repurchase Mandate and repurchase of the Shares were not from substantial shareholders of the Company, the public float of the Company would be 1,668,367,884 Shares, representing approximately 26.69% of the issued share capital of the Company. The Company will comply with the public float requirement under Rule 8.08 of the Listing Rules as a result of any repurchases under the proposed Repurchase Mandate (ie., the Directors will not exercise the power to buy back any Shares such that it would result in the public float being reduced to less than 25% of the issued Shares or such other minimum percentage as might be prescribed by the Listing Rules from time to time).

**THE NEW SHARE OPTION SCHEME**

This Appendix II summarises the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting the interpretation of the rules of the New Share Option Scheme.

The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

**(i) Who may join**

The Board shall be entitled at any time within the period of ten years after the date on which the conditions set out in the New Share Option Scheme is satisfied to make offers to any Participant, as the Board may in its absolute discretion select, to take up Options to subscribe for Shares at a price calculated in accordance with sub-paragraph (ii) below.

**(ii) Subscription price of Shares**

The subscription price for Shares in respect of any Options granted under the New Share Option Scheme will be a price determined by the Board, in its absolute discretion, but in any case shall not be lower than the highest of (1) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (3) the nominal value of a Share on the date of grant, provided that for the purpose of calculating the subscription price, where the Shares have been listed on the Stock Exchange for less than five trading days, the new issue price shall be used as the closing price for any trading day falling within the period before such listing. Upon acceptance of the Option, the Grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

**(iii) Grant of Option**

No offer for grant of Options shall be made by the Board after inside information has come to the knowledge of the Company until (and including) the trading day after such information has been announced pursuant to the requirements of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Listing Rules. In particular, during the period of one month immediately before the earlier of (1) the date of the board meeting for approving of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no Option should be granted. Options may be granted to any company wholly-owned by a Participant.

**(iv) Maximum number of Shares**

- (1) The total number of Shares which may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue on the Adoption Date (the “**Scheme Mandate Limit**”) unless the Company obtains a fresh approval from the Shareholders pursuant to (2) below. Options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company under which such options are granted, as the case may be, will not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (2) The Company may seek approval of Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the refreshment by the Shareholders. All options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company or exercised options) prior to the approval of such refreshment will not be counted for the purpose of calculating whether the refreshed Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the Shareholders.
- (3) The Company may grant Options to Participant(s) beyond the Scheme Mandate Limit if the grant of such Option is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the specified proposed Participants, the number and terms of the Options to be granted, the purpose of granting Options to the proposed Participants, how these Options serve such purpose and the information as required under the Listing Rules from time to time.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

No Participant shall be granted an Option if the total number of Shares issued and to be issued upon exercise of all Options granted and to be granted (including both exercised and outstanding Options) in any 12-month period up to including the date of the proposed grant to such Participant would exceed 1% of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed Participant and his associates abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the proposed Participant and the number and terms of the Options granted and to be granted. The number and terms of Options to be

granted to such proposed Participant must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

Any grant of Option to the Directors, chief executive or substantial Shareholders (as defined in the Listing Rules) or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Option) and shall comply with the requirements of Rule 17.04 of the Listing Rules.

Where any grant of Option is made to a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director or any of their respective associates and the proposed grant of Option, when aggregated with the Options already granted and to be granted (including exercised, cancelled and outstanding Options) to such person(s) in the 12-month period up to and including the date of such grant, would entitle such person(s) to subscribe for over 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5,000,000 based on the closing price of the Shares on the date of each grant, then the proposed grant of Option must be subject to approval by Shareholders in accordance with the Listing Rules. A circular must be prepared by the Company explaining the proposed grant of the Options and disclosing the number and terms of the Options proposed to be granted. All core connected persons of the Company must abstain from voting in favour at such general meeting. The Shareholders' approval as described above will also be required for any change in the terms of any Options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates.

**(v) Time of exercise of Option**

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period as the Board may in its absolute discretion determine which shall not be more than ten years from the date of grant of the Option and subject to the provisions of early termination thereof and the Board may provide restrictions on the exercise of an Option.

**(vi) Rights are personal to grantee**

An Option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. In the event that the Option is granted to a company wholly-owned by a Participant, such Participant shall not sell, transfer, encumber, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the share capital of such company wholly-owned by him. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such grantee.

**(vii) Rights on ceasing employment**

In the event of the grantee (or the beneficial owner of the grantee in the event that the Option is granted to a company wholly-owned by the Participant), being an Eligible Employee on the date of grant, ceasing to be an Eligible Employee for any reason, other than death or the termination of employment on any of the grounds referred to in (ix) below, the grantee may exercise the Option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the Company or the relevant Subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not, or such longer period following the date of cessation as the Board may determine (provided that the retirement of director(s) of the Group or the relevant Invested Entity at an annual general meeting of such member or Invested Entity who is/are re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph).

**(viii) Rights on death**

In the event of the death of the grantee (or the beneficial owner of the grantee in the event that the Option is granted to a company wholly-owned by a Participant) and provided that in the event the grantee (or the beneficial owner of the grantee, as the case may be) being an Eligible Employee on the date of grant, none of the events which would be a ground for termination of employment referred to in (ix) below arises prior to the death, the legal personal representative(s) of the grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such grantee as at the date of death (to the extent which has become exercisable and not already exercised).

**(ix) Rights on dismissal**

In the event the grantee (or the beneficial owner of the grantee in the event that the Option is granted to a company wholly-owned by a Participant), being an Eligible Employee on the date of grant, ceases to be an Eligible Employee by reason of termination of employment on the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his Option shall lapse automatically (to the extent not already exercised) on the date on which the grantee ceases to be an Eligible Employee.

**(x) Effect of alterations to capital**

In the event of any alteration in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party or a placing or subscription of Shares in cash) pursuant to a capitalisation issue,

rights issue, consolidation or subdivision of shares or reduction of capital while any Option remains exercisable, such corresponding alterations (if any), certified by an independent financial adviser or the auditors of the Company for the time being as fair and reasonable and in accordance with the requirements set out in this paragraph, shall be made in the number of Shares subject to the Option so far as unexercised; and/or the subscription price; and/or the maximum number of Shares referred to in sub-paragraph (iv) above, provided that no alteration shall be made such that a Share would be issued at less than its nominal value (and in such case the subscription price shall be reduced to the nominal value) or which would give a grantee a different proportion of the issued share capital of the Company as that to which he was previously entitled. Any adjustment made to the exercise price of, and/or the number of Shares subject to, any Options must comply with the Listing Rules and the supplemental guidance issued by the Stock Exchange on 5 September 2005.

**(xi) Rights on a general offer**

If a general offer or partial offer (whether by takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the grantee shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

**(xii) Rights on winding up**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representatives) shall be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting allot and issue the relevant Shares to the grantee credited as fully paid.

**(xiii) Rights on a compromise or arrangement**

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as or soon after it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his legal representative(s)) may forthwith and until the expiry of the period commencing from such date and ending on the earlier of the date falling three calendar months thereafter or the date on which such compromise or

arrangement is sanctioned by Court, exercise his Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his Option so as to place the grantee in the same position as nearly as possible as would have been the case had such Shares been subject to such compromise or arrangement.

**(xiv) Lapse of Option**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (1) the expiry of the Option period;
- (2) the date on which the grantee commits a breach of (vi) above;
- (3) the expiry of any of the periods referred to in (vii) and (viii) above;
- (4) the date on which the offer (or, as the case may be revised offer) referred to (xi) above closes;
- (5) subject to (xii) above, the date of commencement of the winding-up of the Company;
- (6) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in (xiii) above;
- (7) the date on which the grantee (or the beneficial owner of the grantee in the event that the Option is granted to a company wholly-owned by the Participant) ceasing to be an Eligible Employee by reason of (ix) above;
- (8) the date on which the Board shall at its absolute discretion determine that the grantee (other than an Eligible Employee) or his associate has committed any breach of contract entered into between the grantee or his associate and the Group or any Invested Entity; or
- (9) the date on which the Options are cancelled in accordance with (xviii) below.

**(xv) Ranking of Shares**

The Shares to be allotted and issued upon the exercise of an Option will be subject to all provisions of the articles of association of the Company and the Companies Act (2021 Revision) of the Cayman Islands for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date when the name of the grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or

after such date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before such date.

Unless the context otherwise requires, reference to “**Shares**” in this paragraph include shares in the Company of any other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of such shares from time to time of the Company.

**(xvi) Duration of the New Share Option Scheme**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of Options (to the extent not already exercised) granted prior to such termination.

Subject to the aforesaid, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the date on which the New Share Option Scheme becomes effective, after which period no further Options will be granted.

**(xvii) Alterations to the New Share Option Scheme**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations to the provisions of the New Share Option Scheme relating to (1) matters set out in Rule 17.03 of the Listing Rules to the advantage of grantees or prospective grantees; (2) the terms and conditions of the New Share Option Scheme which are of a material nature or the terms of the Options granted (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme); and (3) the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme, must be approved by Shareholders. Any amended terms of the New Share Option Scheme or the Options granted thereafter must comply with relevant requirements of Chapter 17 of the Listing Rules.

**(xviii) Cancellation of Options granted**

Any cancellation of Options granted but not exercised must be approved by the Board. Where any Option is cancelled and new Options are to be issued to the same Participant, the issue of such new Option may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as set out in (iv) above.

**(xix) Performance target**

There is no performance target that must be achieved before the Options can be exercised.



**(xx) Conditions of the New Share Option Scheme**

The New Share Option Scheme is conditional upon:

- (1) the passing of an ordinary resolution approving the termination of the Existing Share Option Scheme, or the expiry of the Existing Share Option Scheme;
- (2) the passing of an ordinary resolution approving, inter alia, the adoption of the New Share Option Scheme by the Shareholders and authorising the Board to grant Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (3) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be allotted and issued pursuant to the exercise of the Options under the New Share Option Scheme.

**NOTICE OF ANNUAL GENERAL MEETING**

**TFG INTERNATIONAL GROUP LIMITED**

**富元國際集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 542)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (“**Meeting**”) of TFG International Group Limited (the “**Company**”) will be held at the Longchamps Room I-II, 3/F., Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Hong Kong on Friday, 28 May 2021 at 10:30 a.m. (or any adjournment thereof) for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and the auditor for the year ended 31 December 2020;
2. to re-elect directors who offer themselves for re-election and to authorise the board of directors (the “**Board**”) to fix remuneration of directors;
3. to re-appoint CCTH CPA Limited as auditor of the Company and to authorise the Board to fix the auditor’s remuneration;
4. to consider and if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

A. “**THAT:**

- (a) subject to sub-paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with shares of the Company (“**Shares**”) or securities convertible into such Shares or options or warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements, options or similar rights to subscribe for Shares which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options or similar rights to subscribe for Shares which would or might require the exercise of such power after the end of the Relevant Period;

## NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of the Shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are otherwise convertible into Shares; (iii) grant of options or an issue of Shares upon exercise of options granted under the share option scheme from time to time adopted by the Company; or (iv) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of dividends or similar arrangement providing for the allotment of Shares in accordance with the articles of association of the Company from time to time, shall not exceed 20 per cent of the total number of issued Shares as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares, or offer of securities convertible into Shares, or offer of options, warrants or similar rights to subscribe for any Shares or such convertible securities open for a period fixed by the Directors to holders of Shares and/or holders of other equity securities of the Company entitled to the offer on a fixed record date in proportion to their then holdings of such Shares or securities (subject to such exclusions or their arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

## NOTICE OF ANNUAL GENERAL MEETING

**B. “THAT:**

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Buy-backs, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange and of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares authorised to be purchased by the Company pursuant to the approval in sub-paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the total number of issued Shares as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “THAT** conditional on the passing of the resolutions set out in paragraphs 4A and 4B of the notice convening this Meeting, the general mandate granted to the directors of the Company (the “**Directors**”) to exercise the powers of the Company to allot, issue and deal with shares of the Company (the “**Shares**”) pursuant to the resolution set out in paragraph 4A of the notice convening this Meeting be and is hereby extended by the addition to the aggregate number of Shares which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate number of Shares purchased by the Company under the authority granted pursuant to the resolution set out in paragraph 4B of the notice convening this Meeting, provided that such amount shall not exceed 10 per cent of the total number of issued Shares as at the date of passing this resolution.”

## NOTICE OF ANNUAL GENERAL MEETING

- D. “**THAT** the existing share option scheme adopted by the Company pursuant to the ordinary resolution passed by the shareholders of the Company on 8 June 2011 be and is hereby terminated.”
- E. “**THAT** subject to and conditional upon (1) the passing of the ordinary resolution numbered 4D above, or the expiry of the existing share option scheme adopted by the Company pursuant to the ordinary resolution passed by the shareholders of the Company on 8 June 2011; and (2) The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the shares of the Company (the “**Shares**”) to be issued pursuant to the exercise of the share options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the rules of the New Share Option Scheme (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and are hereby approved and adopted as the new share option scheme of the Company, and that the directors of the Company (the “**Directors**”) be and are hereby authorised to do such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, notwithstanding that they or any of them may be interested in the same including without limitation to:
- (i) administer the New Share Option Scheme and to grant options to person eligible under the New Share Option Scheme to subscribe for Shares in accordance with the terms of the New Share Option Scheme;
  - (ii) modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is/are effected in accordance with the terms of the New Share Option Scheme in relation to modifications and/or amendments and the requirement of the Rules Governing the Listing of Securities on the Stock Exchange;
  - (iii) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme provided that the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and other share option scheme(s) shall not exceed 10% of the total number of Shares in issue as at the date of passing of this resolution (the “**Scheme Mandate Limit**”), with the acknowledgment that the Company may seek an approval from the shareholders in general meeting to refresh the Scheme Mandate Limit from time to time but provided always that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and other share option scheme(s) of the Company shall not in aggregate exceed 30% of the total number of Shares in issue from time to time; and

## NOTICE OF ANNUAL GENERAL MEETING

- (iv) make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of options granted under the New Share Option Scheme.”

By Order of the Board  
**TFG International Group Limited**  
**YANG Lijun**  
*Chairman*

Hong Kong, 27 April 2021

*Registered office:*  
The Offices of Sterling Trust (Cayman) Limited  
Whitehall House  
238 North Church Street  
George Town, Grand Cayman  
KY1-1102, Cayman Islands

*Head office and principal place of  
business in Hong Kong:*  
Flat 403 and 405, 4/F.,  
Kowloon City Plaza,  
128 Carpenter Road,  
Kowloon City, Kowloon,  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the Meeting convened by this notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order for such appointment to be valid, the form of proxy, and, if required, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy or office copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.
3. In relation to the proposed resolution numbered 4B above, the Directors wish to state that they will exercise the powers conferred thereby to purchase the securities of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the circular despatched to the shareholders of the Company on the date hereof.
4. The transfer books and register of members of the Company will be closed from 25 May 2021 to 28 May 2021, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 24 May 2021.

*As of the date of this notice, the Board comprises Mr. YANG Lijun (Chairman) and Mr. Gao Jingyao being the executive Directors, Mr. YU Shunhui and Mr. WONG Kui Shing, Danny being the non-executive Directors and Ms. CHAN Hoi Ling, Ms. SO Wai Lam and Mr. SUNG Yat Chun, being the independent non-executive Directors.*