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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)

CLARIFICATION ANNOUNCEMENT MAJOR AND CONNECTED TRANSACTION

Reference is made to the announcement of TFG International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 5 November 2021 (the “**Announcement**”) in relation to a major and connected transaction regarding the Disposal. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as those used in the Announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to clarify that due to inadvertent mistake, the second paragraph under the sub-section headed “Consideration” in the section headed “The Disposal Agreement” on page 3 of the Announcement should be read as follows:

“The Consideration was arrived at after arm’s length negotiations between the Company and the Purchaser after taking into account (i) the waiver of the Company Loan; and (ii) the unaudited consolidated adjusted net asset value of the Disposal Group of approximately HK\$415.7 million, being (a) the unaudited consolidated net asset value of the Disposal Group as at 30 June 2021 of approximately HK\$154.2 million (assuming the MSV Auction Transactions and the MSP Auction Transactions had been completed as at 30 June 2021), prepared in accordance with the accounting principles generally accepted in Hong Kong, plus (b) the appreciation of the Properties in the amount of approximately HK\$406.2 million, which is equivalent to the difference between the book value of the Properties as at 30 June 2021 in the amount of approximately HK\$76.1 million and the appraised value of the Properties as at 30 September 2021 in the amount of approximately HK\$482.3 million (based on the approximate exchange rate of RMB1.00 to HK\$1.2007) as shown in the draft preliminary valuation report of the Properties prepared by an independent valuer using direct comparison method, or wherever appropriate, investment method, less (c) the carrying amount of the Company Loan of approximately HK\$43.1 million as at 30 June 2021 and less (d) the deferred tax liabilities arising from such appreciation of the Properties of approximately HK\$101.6 million. The unaudited consolidated adjusted net asset value of the Disposal Group attributable to the Group (the “**Adjusted NAV**”) as at 30 June 2021 amounted to approximately HK\$229.0 million.”

This clarification announcement is supplemental to and should be read in conjunction with the Announcement. Save as disclosed above, the rest of the Announcement remains unchanged.

By order of the Board
TFG International Group Limited
YANG Lijun
Chairman

Hong Kong, 18 November 2021

As at the date of this announcement, the Board comprises Mr. YANG Lijun (Chairman) and Mr. GAO Jingyao, being the executive Directors; Mr. WONG Kui Shing, Danny, being the non-executive Director; and Ms. CHAN Hoi Ling, Ms. SO Wai Lam and Mr. SUNG Yat Chun, being the independent non-executive Directors.