
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Tongguan Gold Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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潼關黃金集團有限公司 Tongguan Gold Group Limited

(incorporated in Bermuda with limited liability)
(Stock code: 00340)

(1) PROPOSED RE-ELECTION OF DIRECTORS, (2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND (3) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the 2021 annual general meeting of Tongguan Gold Group Limited to be held at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Friday, 28 May 2021 at 2:30 p.m. or any adjournment thereof is set out on pages 16 to 20 of this circular. Whether or not you intend to be present at the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable to the branch share registrar of Tongguan Gold Group Limited in Hong Kong, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2021 annual general meeting or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see pages 1 to 2 of this document for measures being taken to try to prevent and control the spread of the Coronavirus at the AGM, including but not limited to:

- **compulsory temperature checks and health declarations;**
- **compulsory wearing of surgical face masks; and**
- **no distribution of corporate gifts and refreshments.**

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. The Company reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue.
- (ii) All Shareholders, proxies and other attendees may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the AGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the AGM venue or be required to leave the AGM venue.
- (iii) All attendees are required to wear surgical face masks inside the AGM venue at all times, and to maintain a safe distance between seats.
- (iv) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

A proxy form is attached to this circular. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website at <http://www.tongguangold.com>. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the company secretary of the Company as follows:

Leung Lai Ming

Email: enquiry@tongguangold.com

Fax: (852) 2295 0611

If Shareholders have any questions relating to the AGM, please contact Union Registrars Limited, the Company's branch share registrar in Hong Kong as follows:

Union Registrars Limited

Suites 3301-04, 33/F.,

Two Chinachem Exchange Square

338 King's Road

North Point, Hong Kong

E-mail: chinaming@unionregistrars.com.hk

Tel: (852) 2849 3399

Fax: (852) 2849 3319

DEFINITIONS

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

“AGM”	2021 annual general meeting of the Company to be held at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Friday, 28 May 2021 at 2:30 p.m. or any adjournment thereof
“Board”	board of Directors
“Bye-Laws”	bye-laws of the Company
“close associates”	shall have the meaning as defined in the Listing Rules
“Company”	Tongguan Gold Group Limited, a company incorporated in Bermuda with limited liability and the issued ordinary Shares of which are listed on the main board of the Stock Exchange
“core connected person(s)”	shall have the meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and deal with Shares up to a maximum of 20% of the total number of issued Shares as at the date of passing of the relevant resolution
“Latest Practicable Date”	14 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

DEFINITIONS

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued Shares as at the date of the passing of the relevant resolution
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	share option scheme adopted by the Company on 25 May 2012
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the same meaning ascribed to such term in the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	per cent

LETTER FROM THE BOARD



潼關黃金集團有限公司 Tongguan Gold Group Limited

(incorporated in Bermuda with limited liability)
(Stock code: 00340)

Executive Directors:

Mr. YEUNG Kwok Kuen (*Chief Financial Officer*)
Mr. SHI Xing Zhi
Mr. SHI Sheng Li

Independent Non-executive Directors:

Mr. CHU Kang Nam
Mr. LIANG Xu Shu
Mr. LEUNG Ka Wo

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

Room 1306, 13th Floor
Bank of America Tower
12 Harcourt Road
Admiralty
Hong Kong

19 April 2021

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED RE-ELECTION OF DIRECTORS,
(2) GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM which include ordinary resolutions relating to, among other things, (i) the re-election of Directors; and (ii) the granting to the Directors of the Issue Mandate and the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Yeung Kwok Kuen, Mr. Shi Xing Zhi, and Mr. Shi Sheng Li being the executive Directors, and Mr. Chu Kang Nam, Mr. Liang Xu Shu and Mr. Leung Ka Wo, being the independent non-executive Directors.

Pursuant to Code Provision A.4.2 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Pursuant to Bye-Law 87(1) of the Bye-Laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Accordingly, Mr. Chu Kang Nam and Mr. Liang Xu Shu will retire by rotation at the AGM. Mr. Chu Kang Nam and Mr. Liang Xu Shu, being eligible, have offered themselves for re-election as Directors at the AGM.

Pursuant to Code Provision A.4.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules, if an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. Mr. Chu Kang Nam has served on the Board for more than 9 years but he has never held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group. The Board noted the positive contributions of Mr. Chu Kang Nam to the development of the Company's strategy and policies through independent, constructive and informed contributions supported by his skill, expertise and qualifications and from his active participation at the meetings. Mr. Chu Kang Nam has given the annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules to the Company and the nomination committee of the Company has assessed and is satisfied with the independence of Mr. Chu Kang Nam. Hence, the Board considers that the long services of Mr. Chu Kang Nam would not affect his exercise of independent judgment, and therefore considers Mr. Chu Kang Nam to be independent and recommends Mr. Chu Kang Nam to be re-elected at the AGM.

Brief biographical details of the Directors proposed for re-election are set out in Appendix I to this circular.

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, ordinary resolutions will be proposed to grant the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of such resolution; (ii) to repurchase Shares which does not exceed 10% of the total number of issued Shares as at the date of passing of such resolution; and (iii) to add the aggregate amount of the Shares repurchased by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the issued ordinary share capital of the Company as at the date of the passing of such resolution.

The mandates to issue and repurchase Shares granted at the annual general meeting of the Company held on 29 May 2020 will lapse at the conclusion of the AGM. In this regard, resolutions nos. 4, 5 and 6 set out in the notice of AGM will be proposed at the AGM to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

As at the Latest Practicable Date, the issued ordinary share capital of the Company was HK\$339,227,222.1 divided into 3,392,272,221 Shares. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM date, the Company will be allowed to issue a maximum of 678,454,444 Shares and to repurchase a maximum of 339,227,222 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against resolution no. 5 as set out in the notice of the AGM.

ANNUAL GENERAL MEETING

The AGM will be held at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Friday, 28 May 2021 at 2:30 p.m. for the purpose of considering and if thought fit, approving the resolutions to, among others, adopt the proposals for re-election of Directors and grant of the Issue Mandate and the Repurchase Mandate as set out in the notice of the AGM on pages 16 to 20 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. 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 AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. Therefore the chairman of the meeting will demand a poll on each of the resolutions put to vote at the AGM.

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 Company. 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.

RECOMMENDATION

The Board considers that the proposed resolutions in relation to the proposed re-election of Directors and grant of the Issue Mandate and the Repurchase Mandate to be put forward at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

By Order of the board of

Tongguan Gold Group Limited

Yeung Kwok Kuen

Executive Director and Chief Financial Officer

APPENDIX I BIOGRAPHICAL DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

The biographical details of the Directors proposed for re-election at the AGM are set out as follows:

1. **MR. CHU KANG NAM — INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mr. Chu Kang Nam (“Mr. Chu”), aged 64, was appointed as an independent non-executive director of the Company on 16 May 2007.

Mr. Chu graduated from Xiamen University with a Bachelor of Arts degree, and thereafter, has lectured at the Xiamen University. Mr. Chu has worked in government departments of the Fujian Province of the PRC for the period from June 1984 to November 1989, responsible for research and management positions in economics and foreign trade areas. Mr. Chu has also assumed senior management positions at various trading and retail companies since December 1989. In September 1995, he was employed as a research analyst at the Fujian Provincial Government Development Research Centre. Mr. Chu has over 20 years of management and operation experience in the areas of economics and trading. During the period from 1 August 2007 to 17 October 2012, Mr. Chu was an independent director of Gushan Environmental Energy Limited, a company whose shares were listed on the New York Stock Exchange and delisted since 17 October 2012. Mr. Chu did not hold any other directorship in any listed companies in the last three years.

Pursuant to a letter of appointment dated 16 May 2007 and the supplemental letters dated 1 July 2007, 5 July 2007 and 4 December 2012 entered into between the Company and Mr. Chu, (i) the appointment of Mr. Chu is for an initial term of one year and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws; and (ii) Mr. Chu shall be entitled to an annual remuneration of HK\$180,000. Mr. Chu’s remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company’s remuneration policy. Mr. Chu shall not be entitled to any bonus payment.

Save as disclosed above, Mr. Chu has no relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

APPENDIX I BIOGRAPHICAL DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Chu is beneficially interested in 1,000,000 underlying shares in respect of the share options granted by the Company pursuant to the Share Option Scheme, representing approximately 0.03% of the issued ordinary share capital of the Company as at the Latest Practicable Date. Save as disclosed herein, as at the Latest Practicable Date, Mr. Chu does not have any other interest in Shares within the meaning of Part XV of the SFO.

2. MR. LIANG XU SHU — INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Liang Xu Shu (“Mr. Liang”), aged 55, was appointed as an independent non-executive director of the Company on 14 June 2017.

Mr. Liang graduated from University of Science and Technology Beijing (北京科技大學). Mr. Liang has also obtained a master’s degree and a doctorate degree in Engineering from University of Science and Technology Beijing (北京科技大學). Mr. Liang has over 20 years of management and operation experience in the gold mining industry. From 1993 to 2000, Mr. Liang held various positions at China National Gold Group Corporation (中國黃金集團公司) including the supervisor, deputy manager and senior engineer. From 2001 to 2007, Mr. Liang was a deputy head engineer and production technology manager in Zhongjin Gold Corporation Limited (中金黃金股份有限公司). From 2007 to 2014, Mr. Liang was a general manager of two mining investment companies in the PRC. From 2015 to 2016, Mr. Liang was a general manager of Zhongjin Golden Valley Fund Management Co., Ltd. (中金金谷基金管理有限公司). Currently, he is a vice secretary of China Occupational Safety and Health Association (中國職業安全健康協會) and the chairman of China Occupation Safety and Health (Beijing) Technology Development Co., Ltd. (中職安健(北京)科技發展有限公司).

Pursuant to a letter of appointment dated 14 June 2017 entered into between the Company and Mr. Liang, (i) the appointment of Mr. Liang is for an initial term of one year and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws; and (ii) Mr. Liang shall be entitled to an annual remuneration of HK\$180,000. Mr. Liang’s remuneration was fixed with reference to his duties and responsibilities with the Company as well as the Company’s remuneration policy. Mr. Liang shall not be entitled to any bonus payment.

**APPENDIX I BIOGRAPHICAL DETAILS OF THE DIRECTORS
PROPOSED FOR RE-ELECTION**

Save as disclosed above, Mr. Liang has no relationship with any directors, senior management or substantial or controlling shareholders of the Company or its subsidiaries.

Mr. Liang did not hold any other directorships in any listed public companies in the last three years.

As at the Latest Practicable Date and pursuant to Part XV of the SFO, Mr. Liang is beneficially interested in 1,000,000 underlying shares in respect of the share options granted by the Company pursuant to the Share Option Scheme, representing approximately 0.03% of the issued ordinary share capital of the Company as at the Latest Practicable Date. Save as disclosed herein, as at the Latest Practicable Date, Mr. Liang does not have any other interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Company is not aware of any other matters in relation to the above Directors that would need to be brought to the attention of the Shareholders or any other information that would need to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued ordinary share capital of the Company was HK\$339,227,222.1 divided into 3,392,272,221 Shares.

Subject to the passing of the resolution granting the proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM date, the Company will be allowed to repurchase a maximum of 339,227,222 Shares, representing 10% of the issued ordinary share capital of the Company, during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or any applicable laws or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. On the basis of the combined financial position of the Company as at 31 December 2020, being the date to which the latest published audited accounts of the Company were made up, the Directors consider that if the Repurchase Mandate was to be exercised in full at the currently prevailing market value, it may have a material adverse impact on the working capital position and gearing level of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital position of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the proposed Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Bye-Laws and applicable laws in Hong Kong and Bermuda. Such funds include, but are not limited to, funds available for dividend or distribution.

EFFECT OF THE TAKEOVERS CODE

Upon the exercise of the power to repurchase the 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 of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholders' interests, may become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons were interested in 5% or more of the Shares of the Company, according to the register of interests required to be kept under Section 336 of the SFO:

Name	Number of Shares			Approximate percentage to the issued ordinary share capital of the Company as at the Latest Practicable Date	Approximate percentage to the issued ordinary share capital of the Company if the Repurchase Mandate is exercised in full
	Personal interests	Corporate interests	Total		
Interests in the Shares					
Ho Ping Tanya	330,000,000	—	330,000,000	9.73%	10.81%
Huang Aidong	—	508,334,000 <i>(Note 1)</i>	508,334,000	14.99%	16.65%
Hu Jianzhong	—	470,000,000 <i>(Note 2)</i>	470,000,000	13.86%	15.39%
Lin Eddie Chang	—	330,000,000 <i>(Note 3)</i>	330,000,000	9.73%	10.81%
Lin Yuhua	—	185,250,000 <i>(Note 4)</i>	185,250,000	5.46%	6.07%

Notes:

1. These ordinary shares are held by Profit Linkage Enterprises Limited which is 100% beneficially owned by Ms. Huang Aidong.
2. These ordinary shares are held by Golden Blossom Investment Limited which is 100% beneficially owned by Mr. Hu Jianzhong.
3. These ordinary shares are held by Fung Wai Enterprises Ltd. which is 100% beneficially owned by Mr. Lin Eddie Chang.
4. These ordinary shares are held by Supreme Success Group Limited which is 100% beneficially owned by Ms. Lin Yuhua.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, and assuming that no further Shares are issued or repurchased prior to the AGM, the total interests of the above Shareholders would be increased to approximately the percentages shown in the last column of the above table and such increase of interest will not give rise to an obligation to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code and would not reduce the number of Shares held by the public to less than 25% of the issued share capital of the Company.

The Directors have no present intention to repurchase Shares if the proposed Repurchase Mandate is approved at the AGM.

PRICE OF THE SHARES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months preceding the Latest Practicable Date:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
April	0.46	0.33
May	0.46	0.305
June	0.55	0.36
July	0.56	0.30
August	0.38	0.305
September	0.35	0.31
October	0.33	0.28
November	0.35	0.26
December	0.34	0.275
2021		
January	0.325	0.27
February	0.34	0.28
March	0.335	0.30
April (up to the Latest Practicable Date)	0.31	0.295

REPURCHASE OF SHARES

No Shares have been repurchased by the Company or any of its subsidiaries whether on the Stock Exchange or otherwise, during the six months immediately preceding the Latest Practicable Date.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their close associates has any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

No core connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and applicable laws of Hong Kong and Bermuda.

NOTICE OF ANNUAL GENERAL MEETING



潼關黃金集團有限公司 Tongguan Gold Group Limited

(incorporated in Bermuda with limited liability)

(Stock code: 00340)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tongguan Gold Group Limited (the “Company”) will be held at Room 1306, 13/F., Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong on Friday, 28 May 2021 at 2:30 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2020.
2. To re-elect directors of the Company and authorise the board of directors of the Company to fix the directors’ remuneration. *(Note 4)*
3. To re-appoint BDO Limited as auditors of the Company and authorise the board of directors of the Company to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (i) subject to sub-paragraph (iii) of this resolution, 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 and issue or otherwise deal with additional shares in the ordinary share capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (ii) the approval given in paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Company pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares; (c) an issue of Shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company from time to time; or (d) an issue of Shares under any share option scheme or similar arrangement of the Company and/or any of its subsidiaries, shall not exceed 20% 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
- (iv) for the purposes of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (i) subject to sub-paragraph (ii) of this resolution, 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 repurchase issued shares in the ordinary share capital of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under The Codes on Takeovers and Mergers and Share Buy-backs, subject to and in accordance with all applicable laws and regulations and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the total number of Shares which the Company is authorised to repurchase pursuant to the approval in subparagraph (i) above of this resolution shall not exceed 10% 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
- (iii) for the purposes of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; or
- (c) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 as set out in the notice convening the meeting of which this resolution forms part, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue or otherwise deal with additional shares in the ordinary share capital of the Company pursuant to resolution no. 4 as set out in the notice convening the meeting of which this resolution forms part be and is hereby extended by the addition thereto an amount representing the total number of Shares repurchased by the Company under the authority granted pursuant to resolution no. 5 as set out in the notice convening the meeting of which this resolution forms part, provided that such extended amount shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution.”

By Order of the Board of
Tongguan Gold Group Limited
Leung Lai Ming
Company Secretary

Hong Kong, 19 April 2021

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or if he holds two or more shares, more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

3. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
4. The biographical details of the directors of the Company who are subject to re-election are set out in the circular of the Company dated 19 April 2021.
5. The register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Monday, 24 May 2021.
6. If Typhoon Signal No. 8 or above, "extreme conditions" caused by super typhoons, or a "black" rainstorm warning is in effect in Hong Kong any time after 11:30 a.m. on the date of the annual general meeting, the meeting will be re-scheduled. The Company will post an announcement on the website of the Company at www.tongguangold.com and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify the shareholders of the Company of the date, time and place of the rescheduled meeting.

As at the date hereof, the board of directors of the Company comprises, Mr. Yeung Kwok Kuen, Mr. Shi Xing Zhi and Mr. Shi Sheng Li as executive directors and Mr. Chu Kang Nam, Mr. Liang Xu Shu and Mr. Leung Ka Wo as independent non-executive directors.