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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your 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 **GOOD FRIEND INTERNATIONAL HOLDINGS INC.**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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## GOOD FRIEND INTERNATIONAL HOLDINGS INC.

### 友佳國際控股有限公司

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

(Stock Code: 2398)

### PROPOSALS INVOLVING GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the annual general meeting of Good Friend International Holdings Inc. to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 30 June 2020 at 3:00 p.m. is set out on pages 14 to 18 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

#### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please refer to page 1 of this circular for the measures to be implemented at the Annual General Meeting by the Company to safeguard the health and safety of the attendees and to prevent the spreading of the Novel Coronavirus ("COVID-19") pandemic, including:

- (1) compulsory body temperature check
- (2) compulsory wearing of surgical face mask
- (3) no refreshments or drinks will be served

Attendees who do not comply with the precautionary measures (1) and (2) above may be denied entry into the Annual General Meeting venue, at the absolute discretion of the Company as permitted by law. The Company wishes to advise the Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting as an alternative to attend the Annual General Meeting in person.

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## **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

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In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread (as per guidelines issued by the Hong Kong government at [www.chp.gov.hk/en/features/102742.html](http://www.chp.gov.hk/en/features/102742.html)), the Company will implement necessary preventive measures at the Annual General Meeting to protect attending Shareholders, Directors, proxies and other attendees from the risk of infection, including:

- (1) Compulsory body temperature check will be conducted on every Shareholder, proxy and other attendees at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.2 degrees Celsius, or is exhibiting flu-like symptoms may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (2) Attendees are required to wear surgical face masks inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats and as such, the Company may limit the number of attendees at the Annual General Meeting as may be necessary to avoid over-crowding.
- (3) No refreshments or drinks will be served.

Attendees who do not comply with the precautionary measures (1) and (2) above may be denied entry into the Annual General Meeting venue, at the absolute discretion of the Company as permitted by law, or be required to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions duly completed, the Shareholders may appoint the Chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

The proxy form is attached to this circular and can be downloaded from the Company's website (<http://www.goodfriend.hk>). 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.

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 30 June 2020 at 3:00 p.m., notice of which is set out on pages 14 to 18 of this circular
“Board”	the board of directors of the Company
“Companies Law”	the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised from time to time) of the Cayman Islands
“Company”	Good Friend International Holdings Inc., a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 2398)
“Director(s)”	the director(s) of the Company for the time being
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	11 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10 percent of the total number of issued Shares as at the date of passing of the Repurchase Resolution

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## DEFINITIONS

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“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 4 of the notice of the Annual General Meeting
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	percent

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**LETTER FROM THE BOARD**

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**GOOD FRIEND INTERNATIONAL HOLDINGS INC.**

**友佳國際控股有限公司**

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

**(Stock Code: 2398)**

***Executive Directors:-***

CHU Chih-Yaung

*(Chairman and Chief Executive Director)*

CHEN Min-Ho

WEN Chi-Tang

CHIU Rung-Hsien

***Registered Office:-***

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

***Independent Non-Executive Directors:-***

KOO Fook Sun, Louis

YU Yu-Tang

KAO Wen-Cheng

***Principal Place of Business***

***in Hong Kong:-***

Room 2003, 20th Floor

Kai Tak Commercial Building

317-319 Des Voeux Road Central

Hong Kong

Hong Kong, 15 May 2020

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS INVOLVING  
GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the information regarding the proposed renewal of the general mandates to repurchase Shares and to allot, issue and deal with Shares, re-election of retiring Directors and to seek your approval of the resolutions relating to these matters at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 5 June 2019, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting granting to the Directors a general mandate to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing the resolution (i.e. 40,370,400 Shares based on the total number of issued Shares of 403,074,000 as at the Latest Practicable Date and assuming that such total number of issued Shares remains the same as at the date of passing of the ordinary resolution). An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

The general mandate granted pursuant to the Repurchase Resolution shall be exercisable during the period from the passing of the Repurchase Resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

### 3. GENERAL MANDATE TO ISSUE NEW SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions (namely ordinary resolutions as referred to in items 5 and 6 of the notice of Annual General Meeting) respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the resolution (i.e. 80,614,800 Shares based on the total number of issued Shares of 403,074,000 as at the Latest Practicable Date and assuming that such total number of the issued Shares remains the same as at the date of passing of the ordinary resolution) and adding to such general mandate so granted to the Directors any Shares representing the total number of issued Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the total number of issued Shares as at the date of passing of the Repurchase Resolution.

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## LETTER FROM THE BOARD

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The mandate to allot, issue and deal with Shares shall be exercisable during the period from the passing of the ordinary resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

#### **4. RE-ELECTION OF RETIRING DIRECTORS**

The Board currently consists of seven Directors, namely Messrs. Chu Chih-Yaung, Chen Min-Ho, Wen Chi-Tang and Chiu Rung-Hsien as executive Directors and Messrs. Koo Fook Sun, Louis, Yu Yu-Tang and Kao Wen-Cheng as independent non-executive Directors.

Pursuant to Article 87 of the articles of association of the Company, Messrs. Chu Chih-Yaung and Chen Min-Ho, Directors who have been longest in office since their last re-election, will retire by rotation and will offer themselves for re-election at the Annual General Meeting.

Pursuant to the article 86(3) of the Articles of Association, Mr. Kao Wen-Cheng, who was appointed as a new Director on 10 January 2020, will retire at the Annual General Meeting and, being eligible, offer himself for re-election.

With the recommendation of the Nomination Committee, the Board has proposed that all the above retiring Directors, namely Mr. Chu Chih-Yaung, Mr. Chen Min-Ho and Mr. Kao Wen-Cheng stand for re-election as Directors at the Annual General Meeting. As a good corporate governance practice, each of the above retiring Directors abstained from voting at the relevant board meeting of the Company on the respective propositions of their recommendations for re-election by the Shareholders at the Annual General Meeting.

Details of retiring Directors proposed for re-election at the Annual General Meeting are set out in Appendix II of this circular.



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## LETTER FROM THE BOARD

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### 5. ANNUAL GENERAL MEETING

On pages 14 to 18 of this circular, you will find a notice convening the Annual General Meeting at which the following resolutions will be proposed:-

- an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10% of the total number of issued Shares as at the date of passing of the Repurchase Resolution;
- an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares with an aggregate nominal value not exceeding 20% of the total number of issued Shares as at the date of passing of such resolution; and
- an ordinary resolution to extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares repurchased under the Repurchase Proposal after the granting of the general mandate.

### 6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the general meeting of the Company must be taken by poll except where the chairman, 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. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### 7. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not prevent Shareholders from attending and voting at the Annual General Meeting if they so wish.

### 8. RECOMMENDATION

The Directors believe that the proposals and re-election of Directors referred to in this circular are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the relevant resolutions as set out in the notice of Annual General Meeting.

By Order of the Board  
**Good Friend International Holdings Inc.**  
**Chu Chih-Yaung**  
*Chairman*

*This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the Repurchase Resolution.*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 403,074,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 40,307,400 Shares, representing not more than 10% of the total number of issued Shares as at the Latest Practicable Date.

### **2. REASONS FOR REPURCHASE**

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

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Directors will only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on 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 of the Company.

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 contained in the annual report for the year ended 31 December 2019 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal 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 have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:–

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2019</b>		
April	1.500	1.250
May	1.260	0.980
June	1.110	0.810
July	1.040	0.820
August	0.910	0.790
September	0.980	0.810
October	0.850	0.800
November	1.210	0.770
December	1.100	0.780
<b>2020</b>		
January	1.000	0.840
February	0.980	0.780
March	0.790	0.640
April	0.700	0.540
May up to the Latest Practicable Date	0.610	0.500

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the powers of the Company to make repurchases pursuant to the Repurchase Proposal in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

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

**6. TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Good Friend (H.K.) Corporation Limited ("Hong Kong GF"), beneficially held 232,000,000 Shares representing approximately 57.56% of the existing issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Proposal then (if the number of Shares as held by Hong Kong GF and the then number of total issued Shares remained the same) the attributable shareholding of Hong Kong GF in the Company would be increased to approximately 63.96% of the issued share capital of the Company. Since the interest of Hong Kong GF in the issued Shares already exceeds 50%, such increase will not give rise to any obligation to make a mandatory offer pursuant to Rule 26 of the Takeovers Code.

In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

**7. SHARES REPURCHASE MADE BY THE COMPANY**

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

*The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting to be held on 30 June 2020:-*

**Mr. Chu Chih-Yaung**, aged 73, was appointed as an executive Director and the Chief Executive Officer in September 2005 and December 2018 respectively. He is the Chairman of the Board responsible for the Group's overall strategic planning, management, business development, and the formulation of the Group's corporate policies. Mr. Chu was graduated from Department of Marine Engineering of National Taiwan Ocean University. Mr. Chu has more than 30 years of experience in the mechanics, manufacturing and machine tools industry. Mr. Chu is also a director of Hangzhou Global Friend Precision Machinery Co., Ltd. and Hangzhou Ever Friend Precision Machinery Co., Ltd., both are wholly-owned subsidiaries of the Company. Mr. Chu is a substantial shareholder of Fair Friend Enterprise Co.,Ltd., the ultimate Shareholder.

Save as disclosed above, Mr. Chu (i) does not hold any other position with the Company and its subsidiaries; (ii) has not held any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, in the last three years; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules.

As at the Latest Practicable Date, Mr. Chu had corporate interests of 20,000,000 Shares representing in aggregate approximately 4.97 percent of the issued share capital of the Company, within the meaning of Part XV of SFO. Mr. Chu entered into a service agreement dated 11 January 2018 with the Company for a term of 3 years until 10 January 2021 and he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association. He agreed not to receive annual remuneration for the year ended 31 December 2019. There is no agreement as to the directors' fee of Mr. Chu and his director's fee will be determined by the remuneration committee of the Company as well as the board of Directors by reference to the prevailing market conditions and subject to the Shareholders' approval at the Annual General Meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Chu and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Chen Min-Ho**, aged 69, was appointed as an executive Director in December 2005. He is responsible for the overall business operation of the Group. Mr. Chen has more than 15 years of experience in mechanics, manufacturing and machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Rich Friend (Shanghai) Precision Machinery Co., Ltd., Hangzhou Glory Friend Machinery Technology Co., Ltd and Huller Hille (Shanghai) Machinery Co., Ltd. He joined the Group in 1993.

Save as disclosed above, Mr. Chen (i) does not hold any other position with the Company and its subsidiaries; (ii) has not held any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, in the last three years; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules; and (iv) does not have any interest in the securities of the Company within the meaning of Part XV of SFO.

Mr. Chen entered into a service agreement dated 11 January 2018 with the Company for a term of 3 years until 10 January 2021 and he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association. He agreed not to receive annual remuneration for the year ended 31 December 2019. There is no agreement as to the Directors' fee of Mr. Chen and his Director's fee will be determined by the remuneration committee of the Company as well as the board of Directors by reference to the prevailing market conditions and subject to the Shareholders' approval at the Annual General Meeting.

Save as disclosed above, Mr. Chen confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Kao Wen-Cheng**, aged 60, was appointed as an independent non-executive Director on 10 January 2020 and is a member of the audit committee, nomination committee and remuneration committee of the Company. He graduated from Fu Jen Catholic University (天主教輔仁大學) with a Bachelor's Degree in Law in 1983, and obtained a Master's Degree in Law from National Chung Cheng University (國立中正大學) in 2006. He has also attended the 61st Qualification Training Course for Independent Directors held by the Shanghai Stock Exchange in 2018 and obtained the training completion certificate. Mr. Kao has previously served at the Petitions and Appeals Committee of the Ministry of Economic Affairs, R.O.C. and the office of the Vice President of the Legislative Yuan, R.O.C. From 2008 to 2012, he served as the deputy general secretary of the Straits Exchange Foundation, R.O.C. (財團法人海峽交流基金會). From 2012 to 2018, he served as the deputy general secretary of The Third Wednesday Club (中華民國三三企業交流會). From 2012 to 2017, he served as a consultant of China Trust Commercial Bank, and is currently a specialized committee member of the Chairman's Office of China Trust Commercial Bank. From 2012 to 2019, he served as the general secretary of the Straits Economic and Cultural Interchange Association (海峽兩岸經貿文化交流協會), and is currently the vice-chairman of the association. Currently, Mr. Kao is also an independent director of Jiangsu Longchen Greentech Co., Ltd. (江蘇榮成環保科技股份有限公司).

Save as disclosed above, Mr. Kao (i) does not hold any other position with the Company and its subsidiaries; (ii) has not held any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, in the last three years; (iii) does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as defined in the Listing Rules; and (iv) does not have any interest in the securities of the Company within the meaning of Part XV of SFO.

Mr. Kao has entered into a service agreement dated 10 January 2020 with the Company for a term of 2 years until 9 January 2022, and he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's articles of association. Pursuant to the service agreement, Mr. Kao is entitled to a director's fee of HK\$100,000 per annum which is determined by the remuneration committee of the Company as well as the board of Directors by reference to the prevailing market conditions and subject to the Shareholders' approval at the Annual General Meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Kao and no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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### GOOD FRIEND INTERNATIONAL HOLDINGS INC.

### 友佳國際控股有限公司

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

**(Stock Code: 2398)**

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting of Good Friend International Holdings Inc. (“the Company”) will be held at 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 30 June 2020 at 3:00 p.m. for the following purposes:–

1. To receive and consider the financial statements and the report of the directors and independent auditor’s report for the year ended 31 December 2019.
2.
  - (a) To re-elect Mr. Chu Chih-Yaung as an executive director of the Company.
  - (b) To re-elect Mr. Chen Min-Ho as an executive director of the Company.
  - (c) To re-elect Mr. Kao Wen-Cheng as an independent non-executive director of the Company.
  - (d) To authorize the board of directors of the Company to fix the remuneration of directors for the year ending 31 December 2020.
3. To re-appoint RSM Hong Kong as auditor and to authorise the board of directors to fix their remuneration and, in this connection, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** RSM Hong Kong, who has been appointed by the board of directors of the Company as auditor of the Company to fill the casual vacancy occasioned by the resignation of Deloitte Touche Tohmatsu, be and is hereby re-appointed auditor of the Company to hold office until the conclusion of the next annual general meeting and that the board of directors of the Company be and is hereby authorised to fix their remuneration.”



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## NOTICE OF ANNUAL GENERAL MEETING

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4. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

### ORDINARY RESOLUTION

“**THAT:**–

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which the directors of the Company are authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued share as at the date of passing of this resolution and provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be repurchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and
- (c) for the purposes 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; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company. ”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

### ORDINARY RESOLUTION

“**THAT:**–

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) pursuant to a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/ or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) pursuant to an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the total number of issued shares as at the date of passing of this Resolution, and provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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; or
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company 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 recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company). ”

6. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

### ORDINARY RESOLUTION

“**THAT** subject to the passing of the Resolutions in items 4 and 5 of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to the Resolution in item 5 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate number of issued shares of the Company repurchased by the Company under the authority granted pursuant to the Resolution in item 4 of the notice convening this meeting, provided that such number of shares so repurchased shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of the said Resolution in item 4 of the notice convening this meeting.”

By Order of the Board  
**Good Friend International Holdings Inc.**  
**LO Tai On**  
*Secretary*

Hong Kong, 15 May 2020

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:–*

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, if he holds two or more shares, more proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the proxy form must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, 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 or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
2. Completion and return of the proxy form will not preclude members from attending and voting in person at the annual general meeting or any adjournment.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
4. The register of members will be closed from Wednesday, 24 June 2020 to Tuesday, 30 June 2020, both days inclusive, on which no transfer of shares will be effected. In order to qualify for attendance and voting at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, 23 June 2020.
5. With regard to item no.2 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Chu Chih-Yaung, Mr. Chen Min-Ho and Mr. Kao Wen-Cheng be re-elected as directors of the Company. Details of the above retiring directors are set out in the appendix II of the circular to shareholders of the Company dated 15 May 2020.
6. With regard to item 3 in this notice, RSM Hong Kong has been appointed as the auditor of the Group with effect from 25 October 2019 to fill the causal vacancy arising from the resignation of Deloitte Touche Tohmatsu and shall hold the office until the conclusion of the impending annual general meeting of the Company. Details of the above change of auditor are set out in an announcement of the Company dated 28 October 2019.