YUGANG INTERNATIONAL LIMITED
(渝港國際有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 00613)

DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 31st July 2017, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant and the Borrower agreed to borrow the Loan in the principal amount of HK$50,000,000, bearing interest at a rate of 12% per annum for a period of 12 months.

As one or more of the applicable percentage ratios (as set out in the Listing Rules) is more than 5% but all are less than 25%, the grant of the Loan pursuant to the Loan Agreement amounts to the provision of financial assistance to the Borrower and constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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Summarised below are the principal terms of the Loan Agreement:

THE LOAN AGREEMENT

Loan Agreement Date	:	31st July 2017
Lender	:	Maxlord Enterprises Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

Borrower	:	Customer B
Loan	:	HK$50,000,000 (that is to say Hong Kong Dollars Fifty Million Only)
Interest rate	:	12% per annum
Security	:	No security nor guarantee will be provided by the Borrower
Term	:	12 months commencing from the Agreement Date
Repayment	:	The Borrower shall repay the Loan in full together with accrued interest thereon in one lump sum on the Repayment Date
Repayment Date	:	30th July 2018

FUNDING OF THE LOAN

The Loan will be funded by internal resources of the Group.

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability and is principally engaged in the business of money lending. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower and its ultimate beneficial owner are Independent Third Parties and not connected with the Group as at the date of this announcement.

INFORMATION ON THE GROUP AND THE LENDER

The Company is incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the principal activities of its subsidiaries are (i) treasury management; (ii) property investment; and (iii) trading of scrap metals and other materials. The Lender is a licensed money lender holding a valid money lenders licence under the Money Lenders Ordinance and is principally engaging in the business of money lending.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

As money lending is one of the principal activities of the Group, the provision of the Loan is a transaction carried out as part of the ordinary and usual course of business of the Group. The terms of the Loan Agreement were arrived at by both parties thereto after arm's length negotiations, with reference to prevailing commercial practice and taking into account the satisfactory financial background of the Borrower. The Directors are of the view that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as set out in Rule 14.07 of the Listing Rules) is more than 5% but all are less than 25%, the grant of the Loan pursuant to the Loan Agreement amounts to the provision of financial assistance to the Borrower and constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"Borrower"	Customer B, being a company incorporated in Hong Kong with limited liability. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower is an Independent Third Party and not connected with the Group as at the date of this announcement
"Company"	Yugang International Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 00613)
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the

	Company and its connected person(s) (as defined under the Listing Rules)
"Lender"	Maxlord Enterprises Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan"	a loan in the principal amount of HK$50,000,000 (that is to say Hong Kong Dollars Fifty Million Only)
"Loan Agreement"	the loan agreement dated 31st July 2017 entered into between the Lender and the Borrower in respect of the provision of the Loan
"Money Lenders Ordinance"	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Shareholder(s) "	the holder of the share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board
Yuen Wing Shing
Managing Director

Hong Kong, 31st July, 2017

As at the date of this announcement, the Board comprises nine directors, namely Mr. Cheung Chung Kiu (Chairman), Mr. Yuen Wing Shing (Managing Director), Mr. Zhang Qing Xin, Mr. Lam Hiu Lo and Mr. Liang Kang as executive Directors; Mr. Lee Ka Sze, Carmelo as non-executive Director; and Mr. Luk Yu King, James, Mr. Leung Yu Ming, Steven and Mr. Ng Kwok Fu as independent non-executive Directors.

* For identification purposes only