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YUGANG

YUGANG INTERNATIONAL LIMITED

(渝 港 國 際 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 00613)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (“AGM”) of Yugang International Limited (the “Company”) will be held at 11:15 a.m. on Monday, 21 May 2018 at Lounge, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong to transact the following ordinary businesses:

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2017 together with the Reports of Directors and Auditors thereon.
2. To declare a final dividend for the year ended 31 December 2017.
- 3.a. To re-elect the following retiring directors of the Company (the “**Director(s)**”);
 - (i) Mr. Zhang Qing Xiu as an executive Director;
 - (ii) Mr. Lee Ka Sze, Carmelo as a non-executive Director until the conclusion of annual general meeting of the Company of 2021;
 - (iii) Mr. Leung Yu Ming, Steven as an independent non-executive Director until the conclusion of the annual general meeting of the Company of 2021;
- 3.b. To authorise the board of Directors (the “**Board**”) to fix the remuneration of Directors.
4. To re-appoint Messrs. Ernst & Young as auditors of the Company; and authorise the Board to fix their remuneration.

By way of special business, to consider, and if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

Resolution 5 — Issue Mandate

5. “**THAT:**
 - (a) subject to paragraph (b) of Resolution 5, a general mandate (the “**Issue Mandate**”) be and is hereby unconditionally granted to Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, and to make or grant offers, agreements, options which would or might require exercise of such powers either during or after the Relevant Period;

* For identification purposes only.

- (b) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the Issue Mandate, otherwise than pursuant to (i) Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription, conversion or exchange under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible or exchangeable into Shares; or (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares; or (iv) any scrip dividend 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 (“**Bye-Laws**”), shall not exceed twenty per cent (20%) of the total number of issued Shares as at the date of passing of Resolution 5 (subject to adjustment in case of Share consolidation or sub-division after the mandate has been approved, provided that the maximum number of Shares that may be issued under the Issue Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); and

“Rights Issue” means an offer of shares open for a period fixed by Directors to holders of Shares 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 Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).

- (c) for the purposes of Resolution 5, “**Relevant Period**” means the period from the passing of Resolution 5 until the earlier 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 law or the Bye-Laws to be held; or
 - (iii) the date on which the authority set out in Resolution 5 is revoked or varied by an ordinary resolution of the shareholders of the Company (“**Shareholders**”) in general meeting.”

Resolution 6 — Repurchase Mandate

6. “**THAT:**

- (a) a general mandate (the “**Repurchase Mandate**”) be and is hereby unconditionally granted to Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to purchase Shares in accordance with all applicable laws and requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, subject to the following conditions:
- i. such mandate shall not be extended beyond the Relevant Period;
 - ii. such mandate shall authorize Directors to procure the Company to purchase Shares at such price as Directors may at their discretion determine;
 - iii. the total number of Shares to be purchased by the Company pursuant to Resolution 6 during the Relevant Period shall not exceed ten percent (10%) of the total number of issued Shares as at the date of passing of Resolution 6 (subject to adjustment in case of any Share consolidation or sub-division after the mandate has been approved, provided that the maximum number of Shares that may be repurchased under the Repurchase Mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); and

- (b) for the purpose of Resolution 6, “**Relevant Period**” means the period from the passing of the Resolution 6 until the earlier 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 law or Bye-Laws to be held; or
 - iii. the date on which the authority set out in Resolution 6 is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

Resolution 7 — Extension Mandate

7. “**THAT** subject to the availability of unissued share capital and conditional upon the passing of Resolution 5 and Resolution 6, the total number of Shares which can be repurchased by the Company pursuant to and in accordance with Resolution 6 shall be added to the total number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by Directors pursuant to and in accordance with Resolution 5.”

On behalf of the Board
Yugang International Limited
Yuen Wing Shing
Managing Director

Hong Kong, 18 April 2018

Notes:

1. The register of members of the Company will be closed from Wednesday, 16 May 2018 to Monday, 21 May 2018, both days inclusive. 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 Hong Kong Branch Share Registrar (the “**Share Registrar**”), Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 15 May 2018.
2. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. An original of the duly completed form of proxy must be returned to the Share Registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time for holding the AGM or any adjournment thereof.
4. With regard to Resolution 3 and Resolutions 5 to 7 set out in this notice, a circular giving details of re-election of Directors and granting of general mandates to issue and repurchase Shares will be despatched to Shareholders on 18 April 2018.
5. Each of the Resolutions set out in this notice will be voted by poll.
6. As at the date of this notice, 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.