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YUGANG

YUGANG INTERNATIONAL LIMITED

(渝港國際有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 613)

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 Friday, 18 May 2012 at Salon I & II, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong to transact the following ordinary businesses:

1. To receive and consider the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2011 together with the Reports of Directors and Auditors thereon.
- 2.a. To re-elect the following directors of the Company (“Directors”);
 - (i) Mr. Zhang Qing Xin as an executive Director;
 - (ii) Mr. Liang Kang as an executive Director;
 - (iii) Mr. Lee Ka Sze, Carmelo as a non-executive Director;
 - (iv) Mr. Leung Yu Ming, Steven as an independent non-executive Director.
- 2.b. To authorise the board of Directors to fix the remuneration of Directors.
3. To re-appoint Messrs. Ernst & Young as auditors of the Company and to authorise the Directors 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 4 — Issue Mandate

4. **“THAT:**
 - (a) a general mandate be and is hereby unconditionally granted to Directors to exercise during the Relevant Period (as hereinafter defined) all powers of the Company to allot, issue and

** For identification purposes only*

deal with unissued shares of the Company (“Shares”) or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued on a Rights Issue (as hereinafter defined) or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of Shares or rights to acquire Shares, or upon the exercise of rights of subscription or conversion 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 into Shares or any scrip dividend pursuant to the bye-laws of the Company (“Bye-laws”) from time to time, not exceeding twenty percent (20%) of the aggregate nominal value of the share capital of the Company in issue as at the date of this Resolution; and

- (b) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution 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 this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company (“Shareholders”) in general meeting.

“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).”

Resolution 5 — Repurchase Mandate

5. “THAT:

- (a) a general mandate be and is hereby granted to Directors to exercise during the Relevant Period (as hereinafter defined) all powers of the Company to repurchase shares 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 which is recognized 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 regulations, subject to the following conditions:
 - (i) such mandate shall not extend beyond the Relevant Period;
 - (ii) such mandate shall authorize Directors to procure the Company to repurchase Shares at such price as Directors may at their discretion determine;
 - (iii) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to this Resolution during the Relevant Period shall be no more than ten percent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
- (b) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution 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 this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

Resolution 6 — Extension Mandate

6. “THAT:

- (a) subject to the availability of unissued share capital and conditional upon the passing of the Resolutions 4 and 5 as set out in the notice of AGM, the aggregate nominal amount of the Shares which are repurchased by the Company pursuant to and in accordance with Resolution 5 set out in the notice of AGM shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by Directors pursuant to and in accordance with Resolution 4 set out in the notice of AGM.”

On behalf of the Board
Yuen Wing Shing
Managing Director

Hong Kong, 17th April 2012

Notes:

1. A member who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint one or more than one proxy or a duly authorised corporate representative to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member from attending the AGM and voting in person. In such event, his form of proxy will be deemed to have been revoked.
2. In order to be valid, the form of proxy, which will be enclosed with the circular of the Company, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company’s Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the AGM or any adjournment thereof.
3. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.
4. With regard to items 2 and 4 to 6 set out in the notice, a circular giving details of the re-election of Directors and general mandates to issue and repurchase shares of the Company will be despatched to Shareholders on 17 April 2012. The biographical details of the retiring Directors who are proposed to be re-elected at the above meeting are set out in Appendix I to the circular.
5. As at the date of this notice, the Board comprises five executive Directors, namely Mr. Cheung Kiu (Chairman), Mr. Yuen Wing Shing (Managing Director), Mr. Zhang Qing Xin, Mr. Lam Hiu Lo and Mr. Liang Kang; two non-executive Directors, namely Mr. Lee Ka Sze, Carmelo and Mr. Wong Yat Fai; three independent non-executive Directors, namely Mr. Luk Yu King, James, Mr. Leung Yu Ming, Steven and Mr. Ng Kwok Fu.