

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 to be taken, 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 Yusei Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



YUSEI HOLDINGS LIMITED

友成控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 96)

GENERAL MANDATES TO ISSUE SHARES AND RE-ELECTION OF DIRECTORS

A notice convening an annual general meeting of Yusei Holdings Limited to be held at Lin Gang Industrial Zone, Henggentou Village, Guali Town, Xiaoshan District, Hangzhou City, Zhejiang, China on Thursday, 15 June 2017 at 4:00 p.m. is set out Appendix I of this circular.

A proxy form for use at the annual general meeting is enclosed with the notice of the AGM. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
Introduction	3
General Mandates	4
Re-election of Directors	4
Annual General Meeting	5
Voting by way of Poll	5
Recommendation	5
 APPENDIX I – NOTICE OF ANNUAL GENERAL MEETING	 6
 APPENDIX II – BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS FOR RE-ELECTION	 10

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Lin Gang Industrial Zone, Henggentou Village, Guali Town, Xiaoshan District, Hangzhou City, Zhejiang, China on Thursday, 15 June 2017 at 4:00 p.m., notice of which is set out on Appendix I of this circular
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Board”	the Company’s board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Yusei Holdings Limited, an exempted company incorporated in the Cayman Islands on 4 April 2005 with limited liability
“Director(s)”	the director(s) of the Company
“General Mandates”	the general and unconditional mandates proposed under ordinary resolution numbered 6 in the notice of the AGM which is set out on Appendix I of this circular to be granted to the Directors to allot and issue securities of the Company up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities
“Memorandum”	the memorandum of association of the Company, as may be amended from time to time
“PRC”	The People’s Republic of China
“SFO”	the 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)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



YUSEI HOLDINGS LIMITED

友成控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 96)

Executive Director:

Mr. Xu Yong

Mr. Manabu Shimabayashi

Non-executive Directors:

Mr. Katsutoshi Masuda

Mr. Toshimitsu Masuda

Independent Non-executive Directors:

Mr. Lo Ka Wai

Mr. Fan Xiaoping

Mr. Hisaki Takabayashi

Registered Office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place
of Business in the PRC:*

Lin Gang Industrial Zone, Henggentou
Village, Guali Town, Xiaoshan District,
Hangzhou City,
Zhejiang
The PRC

Business Address in Hong Kong:

Unit D6B, 17/F

TML Tower

3 Hoi Shing Road

Tsuen Wan

N.T., Hong Kong

28 April 2017

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

The purpose of this circular is to seek your approval of ordinary resolutions for the re-election of directors of the Company (the "Directors"), and to grant a general mandate to the Directors to issue new shares up to a maximum of 20% of the issued share capital of the Company at the date of passing the resolution (the "General Mandates"). The resolutions will be proposed at the forthcoming annual general meeting of the Company to be held on 15 June 2017 (the "AGM") and are set out in the notice convening the AGM as set out on Appendix I of this circular.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on 23 June 2016, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to issue and allot up to a maximum of 40,480,000 Shares representing a maximum of 20% of the 202,400,000 shares which the Company had in issue at the date when the resolution was passed. These general mandates, which have not been exercised since the date they were granted will lapse at the conclusion of the AGM.

It is therefore necessary to renew the General Mandates at the AGM and ordinary resolutions will be proposed to seek the Shareholders' approval for granting of the General Mandates at such meeting. Details of the aforesaid ordinary resolutions are set out in ordinary resolution numbered 6 in the notice of the AGM.

The General Mandates, if approved at the AGM, will grant to the Directors the power to allot and issue securities of the Company up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution. Based on the 404,800,000 Shares in issue at the Latest Practicable Date and subject to no Shares are issued or repurchased by the Company prior to the AGM, the maximum number of securities which can be allotted and issued under the General Mandates would be equivalent to 80,960,000 Shares.

The General Mandates, if approved at the AGM, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

RE-ELECTION OF DIRECTORS

In accordance with Articles 87 and 88 of the Articles of Association, Messrs Hisaki Takabayashi, Xu Yong and Manabu Shimabayashi will retire by rotation and, being eligible, will offer themselves for reelection at the AGM.

Mr. Hisaki Takabayashi has served as Independent Non-executive Director of the Company for more than nine years. Pursuant to Code A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), (a) such service to the Company for more than nine years could be relevant to determining an independent non-executive director's independence and (b) if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

LETTER FROM THE BOARD

The Company has received from Mr. Hisaki Takabayashi a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Mr. Hisaki Takabayashi has not engaged in any executive management of the Company and its subsidiaries. Taking into consideration his record of independence during his term of service, the Directors consider Mr. Hisaki Takabayashi to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, Mr. Hisaki Takabayashi shall be subject to retirement by rotation and re-election by way of a separate resolution to be approved by the Shareholders of the Company in the AGM.

At the AGM, ordinary resolutions will also be proposed to re-elect Messrs Xu Yong and Manabu Shimabayashi as Executive Directors in accordance with the Articles of Association. To enable Shareholders to make an informed decision on the re-election of these retiring Directors, the biographical details of the retiring Directors, as required under Chapter 13 of the Listing Rules, are set out in Appendix II to this circular for the information of Shareholders.

Subject to the Shareholders' approval at the AGM, it is proposed that the term of office for each of the above Directors is 3 years commencing on the date immediately following the approval at the AGM.

The emolument to such Directors proposed to be re-elected is determined by the Board with reference to their respective duties and level of responsibilities in the Company and the prevailing market condition.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 6 to 9 of this circular. At the AGM, relevant resolutions will be proposed to approve, among other things, the granting of the General Mandate and the re-election of the Directors.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to the Articles of Association.

RECOMMENDATION

The Directors consider that the granting of the General Mandates and the re-election of Directors are in the best interests of the Company, the Group and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM. The Directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully,
For and on behalf of the Board
Katsutoshi Masuda
Chairman

**YUSEI HOLDINGS LIMITED****友成控股有限公司****(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 96)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY given that the Annual General Meeting of the Company will be held at Lin Gang Industrial Zone, Henggentou Village, Guali Town, Xiaoshan District, Hangzhou City, Zhejiang, China on 15 June 2017 (Thursday) at 4:00 p.m. for the purposes of considering and, if thought fit, passing with or without modification the following resolutions as ordinary resolutions of the Company:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and Auditors for the year ended 31 December 2016.
2. To declare a final dividend of RMB1.98 cents per share.
3.
 - (a) To re-elect Mr. Xu Yong as executive director of the Company.
 - (b) To re-elect Mr. Manabu Shimabayashi as executive director of the Company.
 - (c) To authorise the board of directors (the "Board") to fix the remuneration of the directors.
4. To re-elect Mr. Hisaki Takabayashi (who has served as an independent non-executive director of the Company for more than 9 years) as an independent non-executive director of the Company and to authorise the Board to fix his remuneration.
5. To re-appoint SHINEWING (HK) CPA Limited, the auditors of the Company, and authorise the Directors to fix their remuneration.

* For identification purpose only

6. "THAT

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary 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 might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby approved generally and unconditionally;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below); or
 - (ii) the grant or exercise of any option under the share option scheme of the Company or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries, of options to subscribe for, or rights to acquire Shares; or
 - (iii) 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 articles of association of the Company in force from time to time;

any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution; and

- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution), and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly;
- (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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this Resolution;

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register 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 restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any relevant jurisdiction, or any recognized regulatory body or any stock exchange in any territory applicable to the Company.”

On behalf of the Board
Katsutoshi Masuda
Chairman

Notes:

- i. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles and association of the Company, vote in his stead. A proxy need not be a member of the Company.
- ii. For the purpose of ascertaining shareholders' right to attend and vote at the AGM of the Company, the registers of members of the Company will be closed from 12 June 2017 to 15 June 2017 (both days inclusive) during which period no transfer of shares will be effected. In order for a shareholder to be eligible to attend and vote at the AGM, all instrument of transfer must be lodged with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 9 June 2017.
- iii. For the purpose of ascertaining shareholders' entitlement to the proposed final dividends, the register of members of the Company will be closed from 23 June 2017 to 26 June 2017, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividends (subject to shareholders' approval at the AGM), all instrument of transfer must be lodged with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 22 June 2017.
- iv. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
- v. Delivery of an instrument appointing a proxy should not preclude member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- vi. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the above 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. 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.
- vii. The biographical details of Messrs Hisaki Takabayashi, Xu Yong and Manabu Shimabayashi the Directors who offer themselves for re-election are provided in Appendix II of this circular.
- viii. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- ix. Attendants should bear their own travelling, accommodation and other expenses.

Details of the retiring directors proposed to be re-elected at the AGM are set out follows:

1. MR. HISAKI TAKABAYASHI (高林久記先生), INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 56, was appointed as an independent non-executive Director on 2 September 2005. Mr. Takabayashi graduated from 大東文化大學 (Daitobonka University) with a bachelor degree in Chinese in March 1983. Mr. Takabayashi was the deputy representative of the Shanghai Office of 日本靜岡縣國際經濟振興會 (Shizuoka International Economic Organisation) in 2002. At present, Mr. Takabayashi is the Business Bureau Supervisor of 日本靜岡縣日中友好協進會 (Japan and China Friendship Council of Shizuoka Prefecture).

Mr. Takabayashi entered into letter of appointment with the Company and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Takabayashi's director fee is HK\$30,000 for the year. Mr. Takabayashi does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Takabayashi does not have any other relationships with any directors, senior management, substantial shareholders of the Company and has not held any other directorships in listed public companies in the last three years and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

2. MR. XU YONG (許勇先生), EXECUTIVE DIRECTOR

Aged 54, is an executive Director and the general manager of Yusei. Mr. Xu was appointed as a Director of the Company on 21 April 2005. Mr. Xu has over 10 years of experience in mould fabrication. Mr. Xu completed an industrial business administration course in 浙江廣播電視大學 (Zhejiang Broadcasting & Television University) in August 1986 and completed a Japanese language course in 杭州大學外語學院 (Department of Foreign Language of University of Hangzhou) and 浙江省科學技術培訓中心 (Science and Technology Training Centre of Zhejiang Province) in February 1993 and November 1993 respectively. In November 1994, Mr. Xu completed a production management and mechanical engineering internship program in Toneseiki Company Limited (日本利根精機株式會社). Mr. Xu was graduated from the Central Party School of the Communist Party of China in 2008 and obtained the law degree. Mr. Xu joined Zhejiang Yusei as its deputy general manager in June 1995. Currently, Mr. Xu is responsible for the general management of the Group and the supervision of the overall production operation.

Mr. Xu entered into letter of appointment with the Company and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Xu's annual director fee is RMB630,000. Mr. Xu beneficially holds 62,560,000 Shares in the Company, representing 15.45% of the Company's issued share capital. Save as disclosed above, Mr. Xu does not have any other interest in Shares within the meaning of Part XV of the SFO.

At the Latest Practicable Date, Superview International Investment Limited holds 77,444,000 Shares in the Company, representing approximately 19.13% of the Company's issued share capital. Superview International Investment Limited is wholly owned by Mr. Xu Yue, an elder brother of Mr. Xu.

Save as disclosed above, Mr. Xu does not have any other relationships with any directors, senior management, substantial shareholders of the Company and has not held any other directorships in listed public companies in the last three years and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

3. MR. MANABU SHIMABAYASHI (島林學步先生), EXECUTIVE DIRECTOR

Aged 43, is the executive director and deputy general manager of Yusei. Mr. Shimabayashi was appointed as an executive Director of the Company with effect from the date on which the listing of the Shares is transferred from GEM to Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He graduated from Seijo University (成城大學) with a bachelor degree in economics in 1996. He was employed by an accountants' firm in Shizuoka, Japan from 1996 to 2007. Mr. Shimabayashi joined the Group in 2007 as head of management department of Zhejiang Yusei.

Mr. Shimabayashi entered into letter of appointment with the Company and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Shimabayashi's annual director fee is RMB630,000. Mr. Shimabayashi holds 1,540,400 Shares in the Company in aggregate, representing 0.38% of the Company's issued share capital, in which 1,320,000 Shares are held by personal interests and 220,400 are held through family interests. Save as disclosed above, Mr. Shimabayashi does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Shimabayashi does not have any other relationships with any directors, senior management, substantial shareholders of the Company and has not held any other directorships in listed public companies in the last three years and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.