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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 to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

The 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.

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**YUSEI HOLDINGS LIMITED**

**友成控股有限公司\***

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

(Stock Code: 8319)

**ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the board of directors of the Company is set out on page 2 to 4 of this circular. A notice convening the extraordinary general meeting (the “EGM”) of the Company to be held at 4:00 p.m. on 24 June 2010 at No. 8 Youcheng Road, Xiaoshan Economy & Technology Development Zone, Zhejiang 311215, The People’s Republic of China is set out on page 5 to 6 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequent attending and voting at the EGM or any adjournment thereof if you so wish.

This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the day of its posting and can be viewed at the Company’s website at [www.yusei.cn](http://www.yusei.cn).

31 May 2010

\* *for identification purpose only*

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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

“2005 Articles”	means the articles of association of the Company adopted on 19th September 2005
“Board” or “Directors”	means the board of directors of the Company
“Companies Law”	means the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	means Yusei Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on GEM (stock code: 8319)
“EGM”	means the extraordinary general meeting of the Company to be held at 4:00 p.m. on 24 June 2010 at No. 8 Youcheng Road, Xiaoshan Economy & Technology Development Zone, Zhejiang 311215, The People’s Republic of China or any adjournment thereof (as the case may be)
“EGM Notice”	means the notice dated 31 May 2010 convening the EGM as set out on page 5 to 6 of this circular
“GEM”	means The Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“Shareholder(s)”	means holder(s) of Shares
“Share(s)”	means ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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**YUSEI HOLDINGS LIMITED**

**友成控股有限公司\***

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

(Stock Code: 8319)

*Executive Directors:*

Mr. Xu Yong

*Non-executive Directors:*

Mr. Katsutoshi Masuda (*Chairman*)

Mr. Akio Suzuki,

Mr. Toshimitsu Masuda

Mr. Toshinobu Ito

*Independent Non-executive Directors:*

Mr. Lo Ka Wai

Mr. Fan Xiaoping

Mr. Hisaki Takabayashi

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

No. 8 Youcheng Road

Xiaoshan Economy &

Technology Development Zone

Zhejiang 311215

The PRC

*Business Address in Hong Kong:*

Unit 1, 9/F

Fortune Commercial Building

362 Sha Tsui Road

Tsuen Wan

N.T., Hong Kong

31 May 2010

*To the Shareholders*

Dear Sir or Madam,

**ADOPTION OF NEW ARTICLES OF ASSOCIATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed adoption of new articles of association at the EGM and to enable the Shareholders to make an informed decision on whether to vote for or against the resolution at the EGM.

\* *for identification purpose only*

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## LETTER FROM THE BOARD

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### 2. ADOPTION OF NEW ARTICLES OF ASSOCIATION

With reference to the amendments made by the Stock Exchange to the Code of Corporate Governance Practices of the GEM Listing Rules and the amendments to the GEM Listing Rules in respect of requirements of articles of association of companies listed on GEM, the Board proposes to amend the 2005 Articles in order to ensure compliance with all applicable laws. As the amendments will be substantial, it is more cost effective and efficient that a new set of articles of association be adopted instead of amending the existing set on a piecemeal basis which may lead to confusion and complication in future.

The principal amendments to the 2005 Articles proposed by the Board include:–

- (a) specifying that section 8 of the Electronic Transactions Law (2003) of the Cayman Islands shall not apply to the articles of association of the Company to the extent it imposes obligations or requirements in addition to those set out in the articles of association;
- (b) specifying that the Company shall have the power (which power is exercisable by the Board in its absolute discretion) to purchase the Shares and any determination of the Board of the manner of purchase shall be deemed authorised by the articles of association for purposes of the Companies Law;
- (c) specifying that the Company may give financial assistance for the purpose of or in connection with a purchase of Shares subject to compliance with the rules and regulations of the Stock Exchange and any other relevant regulatory authority;
- (d) specifying the requirements for giving due notice of general meetings to the Shareholders, including the time period for service of the notice and the content of the notice;
- (e) reflecting the need for Shareholder's voting by poll, instead of show of hands, as required by the GEM Listing Rules;
- (f) requiring that any Director appointed by the Board to fill a causal vacancy shall hold office until, and be subject to re-election by Shareholders at, the first general meeting of the Company after such Director's appointment;
- (g) specifying that Directors can be removed by ordinary resolution;
- (h) specifying that every Director shall be subject to retirement by rotation at an annual general meeting at least once every three years; and
- (i) specifying that notice of meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or in such other manner as the Board may determine;

The form of the new articles of association proposed to be adopted at the EGM will be circulated to Shareholders with the EGM Notice.

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## LETTER FROM THE BOARD

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### 3. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 4:00 p.m. on 24 June 2010 at No. 8 Youcheng Road, Xiaoshan Economy & Technology Development Zone, Zhejiang 311215, The People's Republic of China. A notice convening the EGM is set out in the **Appendix** to this circular. At the EGM, a special resolution will be proposed to adopt the new articles of association to replace the 2005 Articles.

A form of proxy for the EGM is also enclosed. Whether or not you desire to attend the EGM, you are requested to complete the form of proxy and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof if you so wish.

In accordance with Rule 17.47(4) of the GEM Listing Rules, all voting by Shareholders at a general meeting shall be conducted by way of poll. Therefore, the special resolution proposed at the EGM shall be voted by way of poll.

### 4. RECOMMENDATION

The Directors are of the opinion that the adoption of new articles of association as proposed herein are in the interests of the Company and accordingly recommend all the Shareholders to vote in favour of the special resolution to be proposed at the EGM.

### 5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:–

- (1) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

By order of the Board  
**Yusei Holdings Limited**  
**Katsutoshi Masuda**  
*Chairman*

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

(Stock Code: 8319)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Yusei Holdings Limited (the “**Company**”) will be held at 4:00 p.m. on 24 June 2010 at No. 8 Youcheng Road, Xiaoshan Economy & Technology Development Zone, Zhejiang 311215, The People’s Republic of China for the following purpose:

**SPECIAL RESOLUTION**

To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the new articles of association, the form of which has been circulated with the notice convening this meeting and produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, be and are hereby approved and adopted in replacement and to the exclusion of the Company’s existing articles of association and the directors of the Company be and are hereby authorized to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect the foregoing.”

By order of the Board  
**Yusei Holdings Limited**  
**Katsutoshi Masuda**  
*Chairman*

PRC, 31 May 2010

\* *for identification purpose only*



*Notes:*

- i. Any member entitled to attend and vote at the aforesaid meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint a proxy in respect of part only of his holding shares in the Company. A proxy need not be a member of the Company.
- ii. To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the EGM or any adjournment thereof.
- iii. Completion and return of the form of proxy will not preclude members from attending and voting at the aforesaid meeting or any adjournment thereof.
- iv. A form of proxy for use at the extraordinary general meeting is enclosed herewith.
- v. Concerning the special resolution set out in the above notice, approval is being sought to amend the existing articles of association by adoption of a new form of articles of association in order to comply with Appendix 3 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and certain provision of the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.
- vi. The Chinese translation of this notice (including the contents of the proposed resolution set out therein) is for reference only. In case of inconsistency, the English version shall prevail.
- vii. Attendants should bear their own travelling, accommodation and other expenses.