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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 on GEM: 8319)

(Stock Code on Main Board: 0096)

TRANSFER OF LISTING FROM GROWTH ENTERPRISE MARKET TO MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Financial Advisor



Mitsubishi UFJ Securities (HK) Capital, Limited

On 26 October 2010, an application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, the 176,000,000 Shares in issue by way of transfer of the listing from GEM to the Main Board pursuant to the streamlined transfer of listing procedures under Chapter 9A of the Listing Rules. The approval-in-principle for the Transfer was granted by the Stock Exchange on 7 December 2010.

Immediately prior to the listing of the Shares on the Main Board, the listing of the existing Shares on GEM will be withdrawn. The last day of dealings in the Shares on GEM (Stock code: 8319) is 14 December 2010. Dealings in the Shares on the Main Board (Stock code: 0096) will commence at 9:30 a.m. on 15 December 2010.

* *for identification purpose only*

TRANSFER OF LISTING OF THE SHARES FROM GEM TO THE MAIN BOARD

Reference is made to the announcement made by the Company on 17 May 2010 and 26 October 2010 in relation to the possible Transfer.

On 26 October 2010, an application was made by the Company to the Stock Exchange for the listing of, and permission to deal in, the 176,000,000 Shares in issue by way of transfer of the listing from GEM to the Main Board. The approval-in-principle for the Transfer was granted by the Stock Exchange on 7 December 2010.

All pre-conditions for the Transfer as set out in Rule 9A.02 have been fulfilled in relation to the Company and its Shares.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 13 October 2005, the date on which the Shares were first listed on GEM. Subject to the continual compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Immediately prior to the listing of the Shares on the Main Board, the listing of the existing Shares on GEM will be withdrawn. The last day of dealings in the Shares on GEM (Stock code: 8319) is 14 December 2010. Dealings in the Shares on the Main Board (Stock code: 0096) will commence at 9:30 a.m. on 15 December 2010.

EFFECTS OF THE TRANSFER

In connection with the Transfer, the board lot size, the share certificate, the share registrars and the trading currency of the Shares will remain the same. For easy reference, the Shares will continue to be traded in board lots of 2,000 Shares each, the existing share certificates in respect of the Shares will continue to be good evidence of legal title, and be valid for trading, settlement and registration purpose. The share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited. The trading currency will continue to be Hong Kong dollars.

REASONS FOR THE TRANSFER

The Company has been listed on GEM since 13 October 2005. In the past few years, the Group has experienced fast expansion. The Board believes that the listing of the Shares on the Main Board may enhance the profile of the Group and increase the trading liquidity of the Shares. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financial flexibility and business development of the Group. No material change in the business of the Group is currently being contemplated by the Directors following the Transfer.

The Transfer will not involve issue of any new Shares by the Company.

GEM SHARE OPTION SCHEME

Pursuant to the terms of the GEM Share Option Scheme, the GEM Share Option Scheme was conditionally terminated by the Board on 25 October 2010. Upon the listing of the Shares being transferred from GEM to the Main Board, the termination of the GEM Share Option Scheme will become effective and no further options may be offered or granted under the GEM Share Option Scheme. No options had been granted since the adoption of the GEM Share Option Scheme.

The Company may consider to adopt a new share option scheme which will be in compliance with the Listing Rules in future and will make further announcement when appropriate and obtain the approval of the Shareholders in accordance with the Listing Rules.

There are no outstanding options, warrants or similar rights or convertible equity securities issued by the Company which will be transferred to the Main Board.

GENERAL MANDATES TO ISSUE AND DEAL WITH SHARES

The general mandates granted to the Directors to allot, issue and deal with new Shares by the Shareholders at the annual general meeting of the Company held on 15 May 2010 have no specific references to the GEM Listing Rules and will remain valid and with effect when the listing of the Shares is transferred to the Main Board until the earliest of:–

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable laws of the Cayman Islands to be held;
or
- (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

COMPETING INTERESTS

Yusei Japan beneficially owns 66% equity interest of the Company. The scope of business of Yusei Japan includes: (i) design, manufacturing and sales of injection moulds and various smelting tools; (ii) manufacturing and sales of plastic products; (iii) import and export of moulds and mould components; (iv) coating; (v) import of marble; (vi) leasing of real estate and (vii) any other businesses related to the above. With its production and business operations based in Japan, the plastic injection moulds fabricated by Yusei Japan are mainly applicable for the manufacture of headlight components including glass lens and reflector, automobile gauge board and other interior components for automobiles. Furthermore, Yusei Japan also fabricates plastic injection moulds for the manufacturing of peripheral plastic components for air conditioners and component parts for fishing tools.

Yusei Japan is owned as to approximately 25.8% by Conpri Co. Ltd., as to approximately 21.9% by Mr. Katsutoshi Masuda, as to approximately 12.1% by Mr. Akio Suzuki, as to approximately 2.1% by Mrs. Echiko Masuda, as to approximately 1.7% by Mr. Toshimitsu Masuda, as to 30% by Tokyo Small and Medium Business Investment & Consultation Co., Ltd. respectively and as to approximately 6.4% held by Yusei Japan itself as a result of share repurchase, which according to the confirmation of a practicing Japanese law firm, need not be extinguished from the issued share capital of Yusei Japan under Japanese laws. Conpri Co. Ltd. is a company incorporated in Japan with limited liability and is owned as to 50% by Mr. Toshimitsu Masuda, as to 30% by Mr. Katsutoshi Masuda, and as to 20% by Mrs. Echiko Masuda. Mrs. Echiko Masuda and Mr. Toshimitsu Masuda are the spouse and son of Mr. Katsutoshi Masuda, respectively. Mr. Katsutoshi Masuda and Mr. Toshimitsu Masuda are the Company's non-executive directors. Mr. Akio Suzuki was the Company's non-executive director. Mr. Suzuki's resigned as a non-executive director of the Company on 6 December 2010.

Notwithstanding that the Group and Yusei Japan are engaged in similar business activities to certain extent, there is a clear delineation and independence of the Group's business from that of Yusei Japan.

In particular, the Group's target markets (being the PRC, Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC) (the "**Group's Exclusive Markets**") are territorially different from that of Yusei Japan. The locations of the production facilities are different and separate between the Group and Yusei Japan. The management responsible for the day-to-day operations of the Group and Yusei Japan is also different. The Directors believe that Yusei Japan does not compete with the Group. Notwithstanding that the Directors believe that Yusei Japan does not compete with the Group, to clearly delineate the business operations of the Group from that of Yusei Japan and to avoid any possible future competition with the Group, Yusei Japan and its shareholders (collectively the "**Covenantors**") have entered into a deed of non-competition dated 19 September 2005 (the "**Deed of Non-competition**"), pursuant to which each of the Covenantors irrevocably and unconditionally undertakes and covenants with the Group that each of the Covenantors shall:—

- (1) not either on his/her/its own account or for any other person, firm or company, and (if applicable) shall procure that its subsidiaries (other than the Company or any member of the Group) or companies controlled by each of the Covenantors shall not either on its own behalf or as agent for any person, firm or company and either directly or indirectly (whether as a shareholder, partner, consultant or otherwise and whether for profit, reward or otherwise) at any time solicit, interfere with or endeavour to entice away from any member of the Group any person, firm, company or organisation who to its knowledge is from time to time or has at any time been a customer or supplier or a business partner of any member of the Group;

- (2) not either alone or jointly with any other person, firm or company, carry on (including but not limited to making investments, setting up distribution channels and/or liaison offices and creating business alliances), participate, be engaged, concerned or interested in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with the business of the design, development and fabrication of precision plastic injection moulds or the manufacturing of plastic components in the Group's Exclusive Markets or the provision of certain assembling and further processing of plastic components for customers (the "**Business**") from time to time carried out by any member of the Group (provision of assistance and support to the Group excepted) including the entering into of any contracts, agreements or other arrangements in relation to any of the above;
- (3) not directly or indirectly sell, distribute, supply or otherwise provide products that are produced or proposed to be produced by the Group in the course of its business (the "**Group's Product Portfolio**") to any purchaser or potential purchaser of any products within the Group's Product Portfolio in the Group's Exclusive Markets (the "**Customers**") and upon receipt of any enquiry from Customers for products which are within the Group's Product Portfolio, to refer to the Company or any member of the Group all such business opportunities received by the Covenantors and provide sufficient information to enable the Company or any member of Group to reach an informed view and assessment on such business opportunities;
- (4) not directly or indirectly sell, distribute, supply or otherwise provide any products that are within the Group's Product Portfolio where the relevant Covenantor(s) know(s), or is reasonably regarded as should have known, that such products are destined to be re-sold, re-distributed or re-supplied for the purpose of commercial exploitation in the Group's Exclusive Markets;
- (5) upon receipt of any order or enquiry from customers outside the Group's Exclusive Markets for products which are within the Group's Product Portfolio and where the relevant Covenantor(s) know(s), or is reasonably regarded as should have known, that such products are destined to be re-sold, re-distributed or re-supplied for the purpose of commercial exploitation in the Group's Exclusive Markets, the relevant Covenantor(s) shall inform the Group in writing of such order or enquiry and refer such customer to contract directly with the Group for the order of the relevant product;
- (6) not do or say anything which may be harmful to the reputation of any member of the Group or which may lead any person to reduce their level of business with any member of the Group or seek to improve their terms of trade with any member of the Group; and
- (7) not solicit or entice or endeavour to solicit or entice any of the employees of or consultants to the Group to terminate their employment or appointment with any member of the Group.

On 3 December 2010, the shareholders of Yusei Japan and the Company entered into a supplemental deed confirming that the Deed of Non-Competition shall remain in full force and effect notwithstanding the transfer of listing of Shares from GEM to Main Board (the "**Supplemental Deed**").

The Directors confirmed that the undertakings contained in the Deed of Non-competition have been fully complied with by the Group, Yusei Japan and its shareholders since the Company's listing on GEM up to the date of this announcement.

Save as disclosed above, none of the Controlling Shareholders and the Directors of the Company had an interest in a business which competes or may compete with the business of the Group.

CORPORATE GOVERNANCE MEASURES TO MANAGE POTENTIAL CONFLICTS OF INTERESTS

The Company has adopted and will continue to adopt the following measures to ensure good corporate governance practices and to improve transparency after the Transfer:

- (i) the independent non-executive Directors will review, on an annual basis, the compliance with the non-competition undertakings under the Deed of Non-competition and the Supplemental Deed by the shareholders of Yusei Japan,
- (ii) the shareholders of Yusei Japan undertake to provide all information necessary for the annual review by the independent non-executive Directors and the enforcement of the non-competition undertakings under the Deed of Non-competition and the Supplemental Deed;
- (iii) the Company will disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of the non-competition undertakings under the Deed of Non-competition and the Supplemental Deed in the annual reports; and
- (iv) the shareholders of Yusei Japan will make an annual confirmation on their compliance with the non-competition undertakings under the Deed of Non-competition and the Supplemental Deed in the annual reports.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

The Directors consider that the Group is capable of carrying on its business independent of the Controlling Shareholders and its associates for the following reasons:–

Management independence and operational independence

Although the Controlling Shareholders will retain a controlling interest in the Company after the Transfer, the Company has full rights to make all decisions on, and to carry out, its own business operations independently. The Company (through its subsidiaries) holds all relevant licenses and/or approvals, necessary to carry on its business, and has sufficient capital, equipment and employees to operate the businesses independently from the Controlling Shareholders.

The Company's management and operational decisions are made by the executive Directors and senior management who have substantial experience in the industry in which the Company is engaged. Further, the Company's three independent non-executive Directors will bring independent judgment to the decision-making process of the Board.

Apart from Mr. Katsutoshi Masuda, Mr. Toshimitsu Masuda and Mr. Shinichi Koizumi, being three of the non-executive Directors, who are also directors of Yusei Japan, none of the Directors or senior management of the Group is involved in the day to day operations of Yusei Japan.

The continuing connected transactions between the Group and the Controlling Shareholders or its associates were in compliance with the GEM Listing Rules. The Directors will ensure the Company's compliance of the reporting, announcement, annual review and the independent shareholders' approval requirement stipulated under the Listing Rules in relation to these continuing connected transactions after completion of the Transfer. Based on the above, the Directors are of the view that the Company is independent of the Controlling Shareholders in terms of management and business operations.

Administrative independence

The Group has its own capabilities and personnel to perform all essential administrative functions including financial and accounting management, inventory management and research and development. Save as disclosed in this Announcement, the Directors and senior management staff is independent of the Controlling Shareholders.

Financial independence

The Group has its own financial management system and the ability to operate independently from the Controlling Shareholders from a financial perspective. The Directors believe that the Group is capable of obtaining financing from external sources without reliance on the Controlling Shareholders. As of 30 June 2010, the Group has an amount due to Yusei Japan of RMB4.2 Million according to the latest interim report of the Company. The Directors confirmed that any such kind of balance will be fully settled before the Transfer.

DOCUMENTS AVAILABLE FOR VIEWING

The following documents are available for viewing on the website of the Stock Exchange at <http://www.hkgem.com> and on the website of the Company at www.yusei.cn:—

- (a) the Directors' report and annual report of the Company for the financial year ended 31 December 2009;
- (b) the first quarterly report of the Company for the period from 1 January 2010 to 31 March 2010;
- (c) the memorandum and articles of association of the Company;

- (d) a circular of the Company dated 23 April 2010 for approving general mandates to issue Shares, bonus issue and re-election of retiring Directors;
- (e) a circular of the Company dated 31 May 2010 with respect to the adoption of new articles of association and notice of extraordinary general meeting;
- (f) a supplemental circular of the Company dated 3 June 2010 in relation to the adoption of new articles of association;
- (g) an announcement of the Company dated 24 June 2010 in relation to the result of the extraordinary general meeting held on 24 June 2010;
- (h) the interim report of the Company for the six months ended 30 June 2010;
- (i) the third quarter report of the Company for the nine months ended 30 September 2010; and
- (j) the announcements and other corporate communications published by the Company before the date of this announcement as required under the GEM Listing Rules.

GENERAL

This announcement, 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 the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND SENIOR MANAGEMENT

The Company discloses below the biographical information of each current Director and senior management member of the Company:

EXECUTIVE DIRECTORS

Mr. XU Yong (許勇先生), aged 48, is an executive Director and the manager of Zhejiang 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 joined Zhejiang Yusei as its deputy general manager in February 1995. Mr. Xu completed a 法學理論在職研究生課程 (postgraduate course on legal theory) at 中共中央黨校 (Party School of the Central Committee of the Communist Party of China) in January 2008. Currently, Mr. Xu is responsible for the general management of the Company and the supervision of the overall production operation.

The Company has entered into a service contract with Mr. Xu on 19 September 2005 for a term of 3 years. The contract shall be continuing thereafter unless and until terminated by either party thereto giving to the other not less than three months' written notice. Salary and allowances will be determined by the Board with reference to his contribution in terms of time, effort and his expertise and his current salary and allowance is RMB750,000 per annum. Bonus will be paid at the absolute discretion of the Board after taking into consideration the operating results of the Group and the performance of the Director.

As at the date of this announcement, Mr. Xu personally held 10,560,000 Shares (representing approximately 6% of the total issued share capital of the Company). Save as disclosed above, Mr. Xu does not have any other interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Manabu SHIMABAYASHI (島林學步先生), aged 37, is the director and deputy manager of Zhejiang Yusei. Mr. Shimabayashi will be 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. 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.

The Company has entered into a service contract with Mr. Shimabayashi on 6 December 2010 for a term of 3 years. The contract shall be continuing thereafter unless and until terminated by either party thereto giving to the other not less than three months' written notice. Salary and allowances will be determined by the Board with reference to his contribution in terms of time, effort and his expertise and his current salary and allowance is RMB750,000 per annum. Bonus will be paid at the absolute discretion of the Board after taking into consideration the operating results of the Group and the performance of the Director.

As at the date of this announcement, Mrs. Hidemi Shimabayashi, the spouse of Mr. Shimabayashi, is the beneficial owner of 110,200 Shares (representing approximately 0.063% of the total issued share capital of the Company). Save as disclosed above, Mr. Shimabayashi does not have any interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

NON-EXECUTIVE DIRECTORS

Mr. Katsutoshi MASUDA (増田勝年先生), aged 66, is the chairman and a non-executive Director of the Company. Mr. Masuda was appointed as the chairman of the Company on 2 June 2005 and as a Director on 21 April 2005. Mr. Masuda has over 40 years of experience in mould fabrication and manufacturing. Mr. Masuda founded Yusei Japan, the Company's ultimate holding company in September 1969 and is currently also a director and shareholder of Yusei Japan and Conpri Co. Ltd. Mr. Masuda is one of the founders of the Group in 1992 and is responsible for the major strategy of the Company.

The Company has entered into letter of appointment with Mr. Katsutoshi Masuda on 19 September 2005 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Katsutoshi Masuda is currently entitled to a director's fee of HK\$1,000,000 per annum and bonus will not be paid.

As at the date of this announcement, Mr. Katsutoshi Masuda has corporate interest in 116,160,000 Shares where such Shares are held through Yusei Japan. Mr. Katsutoshi Masuda is deemed to be interested in 49.8% of the equity interest in Yusei Japan. Save as disclosed above, Mr. Katsutoshi Masuda does not have any other interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Toshimitsu MASUDA (增田敏光先生), aged 42, son of Mr. Katsutoshi Masuda, was appointed as a non-executive Director on 2 June 2005. Mr. Toshimitsu Masuda graduated from the Kogakuin University in Japan in production mechanical engineering studies in March 1991. He is also a director and shareholder of Yusei Japan and Conpri Co. Ltd. Mr. Toshimitsu Masuda joined the Group in May 1998 as director of Zhejiang Yusei.

The Company has entered into letter of appointment with Mr. Toshimitsu Masuda on 19 September 2005 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Toshimitsu Masuda is currently entitled to a director's fee of HK\$50,000 per annum and bonus will not be paid.

As at the date of this announcement, Mr. Toshimitsu Masuda has corporate interests in 116,160,000 Shares where such Shares are held through Yusei Japan. Mr. Toshimitsu Masuda holds 50% of the issued share capital of Conpri Co. Ltd.. Conpri Co. Limited is interested in 25.8% in the issued share capital of Yusei Japan which in turn is interested in 116,160,000 Shares. Save as disclosed above, Mr. Toshimitsu Masuda does not have any other interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Toshinobu ITO (伊藤利信先生), aged 60, was appointed as a non-executive Director on 2 June 2005. Mr. Ito is the Managing Executive and Business Bureau Chief of 日本静岡縣日中友好協進會 (Japan and China Friendship Council of Shizuoka Prefecture). Mr. Ito joined the Group in 1992 as a director of Zhejiang Yusei.

The Company has entered into letter of appointment with Mr. Ito on 19 September 2005 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Ito is currently entitled to a director's fee of HK\$50,000 per annum and bonus will not be paid. As at the date of this announcement, Mr. Ito does not have any interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Shinichi KOIZUMI (小泉伸一先生), aged 58, will be appointed as a non-executive Director with effect from the date on which the listing of the Shares is transferred from GEM to Main Board. Mr. Koizumi graduated from Keio University (慶應義塾大學) with bachelor degree in business in 1976. Before joining Yusei Japan, Mr. Koizumi was employed by the Shizuoka Bank Ltd.. He joined Yusei Japan in 2007. At present, Mr. Koizumi is also a director of Yusei Japan.

The Company has entered into letter of appointment with Mr. Koizumi on 6 December 2010 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Koizumi is currently entitled to a director's fee of HK\$50,000 per annum and bonus will not be paid. As at the date of this announcement, Mr. Koizumi personally held 22,000 Shares (representing approximately 0.0125% of the total issued share capital of the Company). Save as disclosed above, Mr. Koizumi does not have any interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. FAN Xiaoping (范曉屏先生), aged 54, was appointed as an independent non-executive Director on 2 September 2005. Mr. Fan obtained a doctorate degree in administration science and engineering from 浙江大學 (University of Zhejiang) in March 2008. Mr. Fan is currently a professor in the business administration department in the University of Zhejiang.

The Company has entered into letter of appointment with Mr. Fan on 19 September 2005 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Fan is currently entitled to a director's fee of HK\$30,000 per annum and bonus will not be paid. As at the date of this announcement, Mr. Fan personally held 19,800 Shares (representing approximately 0.0113% of the total issued share capital of the Company). Save as disclosed above, Mr. Fan does not have any interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. LO Ka Wai (羅嘉偉先生), aged 41, was appointed as an independent non-executive Director on 2 September 2005. Mr. Lo graduated from the University of Wollongong, Australia in 1992 with a bachelor degree in commerce (with merit). Mr. Lo is a qualified accountant in Australia and is also an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo was an independent non-executive director of Wing Hing International (Holdings) Limited, a company listed on the Main Board of the Stock Exchange (stock code: 0621) from 20 September 2004 to 7 March 2008.

The Company has entered into letter of appointment with Mr. Lo on 19 September 2005 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Lo is currently entitled to a director's fee of HK\$120,000 per annum and bonus will not be paid. As at the date of this announcement, Mr. Lo does not have any interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Mr. Hisaki TAKABAYASHI (高林久記先生), aged 50, was appointed as an independent non-executive Director on 2 September 2005. Mr. Takabayashi graduated from 大東文化大學 (Daito Bunka University) with a bachelor degree in Chinese in March 1983. 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).

The Company has entered into letter of appointment with Mr. Takabayashi on 19 September 2005 under which the term of service shall be continuing unless and until terminated by either party thereto giving to the other not less than three months' written notice, subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Mr. Takabayashi is currently entitled to a director's fee of HK\$30,000 per annum and bonus will not be paid. As at the date of this announcement, Mr. Takabayashi does not have any interests in any Shares, underlying Shares or debenture of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Directors confirm that there is no matter relating to the above Directors that needed to be brought to the attention of the Shareholders and there is no information which is discloseable pursuant to the requirements set out in Rule 13.51(2)(h) to (v) of the Listing Rules.

SENIOR MANAGEMENT

Mr. CHEN Gang (陳剛先生), aged 42, joined the Group in September 1992 and has worked in various positions in the Group including technician, mould fabrication technical division head and mould fabrication department head of Zhejiang Yusei. In January 2003, Mr. Chen was appointed as the department head of the operation technology department of Zhejiang Yusei and is responsible for the overall operation and technology enhancement for mould fabrication. He was appointed as the chief supervisor of the operation and technology department of Zhejiang Yusei in April 2010, responsible for development of new business and technological development of new products for Zhejiang Yusei.

Mr. QIU Peng Yong (邱鵬湧先生), aged 41, joined the mould fabrication department of Zhejiang Yusei in September 1992 as the mould fabrication division head and was promoted to the department head in January 2003. Mr. Qiu is responsible for evaluation and approving mould design, as well as, quality assurance and compliance of Zhejiang Yusei. He was appointed as the procurement supervisor of Zhejiang Yusei in April 2010, responsible for management and supervision on procurement of Zhejiang Yusei.

Mr. SHUM Shing Kei (沈成基先生), aged 39, is company secretary of the Company. He obtained a master degree in financial management from the University of London, the United Kingdom in December 1998. He is also an associate member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in April 2005, he had over 8 years of experience in auditing and accounting and had worked for an international accounting firm in Hong Kong.

None of the senior management staff of the Company is related to any of the Directors, the Controlling Shareholders or any of their respective associates.

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, the Company must have a sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Since principal business, operations and manufacturing facilities of the Company are located, managed and conducted in the PRC, executive Directors and majority of the members of the senior management of the Company are and will therefore be expected to continue to be based in the PRC. There is no business need to appoint executive Directors based in Hong Kong as the management of the Company is best able to attend its functions by being based in the PRC. The Company does not, and does not contemplate in the foreseeable future that it will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Therefore, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement to have a sufficient management presence in Hong Kong under Rule 8.12 of the Listing Rules on condition that the following measure shall continue to be implemented to maintain regular and effective communication with the Stock Exchange:–

- (a) the Company has appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as its principal communication channel with the Stock Exchange and will ensure that they comply with the Listing Rules at all times. The two authorized representatives appointed are Mr. Shum Shing Kei, the company secretary, and Mr. Xu Yong, an executive Director. Mr. Shum Shing Kei is an ordinarily resident in Hong Kong. Mr. Xu Yong has been granted with an entry permit to take up employment in Hong Kong under the admission scheme for mainland talents and professionals of the immigration department of Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by telephone, facsimile or e-mail. Each of the two authorized representatives has been duly authorized to communicate on behalf of the Company with the Stock Exchange;

- (b) both of the authorized representatives have means to contact all members of the board of directors (including the independent non-executive directors) promptly at all times as and when the Stock Exchange wishes to contact the members of the Board on any matters. The Company will implement a policy whereby (i) each director will provide his or her mobile phone number, office phone number, fax number and e-mail address to the authorized representatives; (ii) each director will provide valid phone numbers or means of communication to the authorized representatives when he or she is travelling; and (iii) each director will provide his or her mobile phone number, office phone number, fax number and e-mail address to the Stock Exchange;
- (c) all directors (including independent non-executive directors) who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange in Hong Kong within a reasonable period of time upon reasonable notice;
- (d) the Company shall promptly inform the Stock Exchange of any changes of the authorized representatives and the contact details of the authorized representatives and directors; and
- (e) the Company will retain professional advisers (including legal advisers and accountants) in Hong Kong to advise on ongoing compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Transfer.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“associate”	has the meaning ascribed to it in the Listing Rules;
“Board” or “Directors”	the board of directors of the Company;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Yusei Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on GEM (stock code: 8319);
“Controlling Shareholders”	has the meaning ascribed to it in the Listing Rules and in the context of the Company, means Yusei Japan, Mr. Katsutoshi Masuda and Mr. Toshimitsu Masuda;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;

“GEM Share Option Scheme”	the share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 19 September 2005;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM;
“PRC”	the People’s Republic of China which for the purpose of this Announcement, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong), as amended and supplemented from time to time;
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transfer”	the proposed transfer of the listing of the Shares from GEM to Main Board;
“Yusei Japan”	Yusei Machinery Corporation (株式會社友成機工), a company incorporated in Japan with limited liability;

“Zhejiang Yusei”

浙江友成塑膠模具有限公司 (Zhejiang Yusei Plastics & Mould Co., Ltd.*), a company incorporated in the PRC, a wholly-owned subsidiary of the Company.

By order of the Board
Katsutoshi Masuda
Chairman

PRC, 7 December 2010

As at the date of this announcement, the executive director is Mr. Xu Yong; the non-executive directors are Mr. Katsutoshi Masuda, Mr. Toshimitsu Masuda and Mr. Toshinobu Ito; the independent non-executive directors are Mr. Lo Ka Wai, Mr. Fan Xiaoping and Mr. Hisaki Takabayashi.

This announcement, for which the directors of Yusei Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Yusei Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:–

- 1. the information contained in this announcement 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 announcement misleading; and*
- 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the day of its posting enquires.

** for identification purpose only*