

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**Youyuan International Holdings Limited**  
**優源國際控股有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2268)**

**PROPOSED BONUS ISSUE OF SHARES**  
**UNDER GENERAL MANDATE**

**Proposed Bonus Issue**

The Board is pleased to announce that, on 26 February 2013, it has resolved to propose a Bonus Issue of new Shares on the basis of one (1) Bonus Shares for every ten (10) Shares held by Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Issue will be credited as fully paid by way of capitalization of an amount equal to the total par value of the Bonus Shares standing to the credit of the reserve account of the Company. Upon issuance, the Bonus Shares will rank pari passu in all respect with the Shares then in issue.

The register of members of the Company will be closed from 13 March 2013 to 15 March 2013 (both days inclusive) for the purpose of ascertaining and determining the entitlement of the Shareholders under the Bonus Issue, during which no transfer of Shares will be effected. In order to qualify for the Bonus Issue, any transfer of Shares, accompanied by the relevant share certificates, must be lodged for registration no later than 4:30p.m. on 12 March 2013.

The Bonus Shares will be issued pursuant to the General Mandate and accordingly is not subject to Shareholders' approval.

The Bonus Issue is subject to (i) the approval of the listing of and permission to deal in the Bonus Shares being granted by the Stock Exchange; and (ii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and articles of association of the Company to effect the Bonus Issue.

## **PROPOSED BONUS ISSUE**

The Board is pleased to announce that, on 26 February 2013, it has resolved to propose a Bonus Issue of new Shares on the basis of one (1) Bonus Share for every ten (10) Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The terms of the Bonus Issue are set out below.

### **Basis of the Bonus Issue**

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Share for every existing ten (10) Shares held on the Record Date by the Qualifying Shareholders.

On the basis of 1,000,000,000 existing Shares in issue as at the date of this announcement, and assuming (i) no further Shares will be issued or repurchased before the Record Date; (ii) there are no Non-qualifying Shareholders, it is anticipated that 100,000,000 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid by way of capitalization of an amount standing to the credit of the reserve account of the Company. Immediately upon completion of the Bonus Issue, there will be a total of 1,100,000,000 Shares in issue as enlarged by the Bonus Issue.

### **Record Date and closure of register of members**

The Bonus Shares will be issued to Qualifying Shareholders. Arrangement for the Non-Qualifying Shareholders are further elaborated below under the heading “Overseas Shareholders”.

The register of members of the Company will be closed from 13 March 2013 to 15 March 2013 (both days inclusive), for the purpose of ascertaining and determining the entitlement of the Shareholders under the Bonus Issue, during which no transfer of Shares will be effected. In order to qualify for the Bonus Issue, any transfer of Shares accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712—1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 pm on 12 March 2013.

### **Reasons for the proposed Bonus Issue**

The Board proposed the Bonus Issue in recognition of the continual support of the Shareholders. In addition, the Directors believe that the Bonus Issue will enable the Shareholders to participate in the business growth of the Company and enhance the liquidity of the Shares in the market.

### **Overseas Shareholders**

If, as at the close of the business on the Record Date, a Shareholder's address as recorded on the register of members of the Company is in a place outside Hong Kong, the Board will make enquiries as to whether the Bonus Issue to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that there is no legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholders will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer to such Overseas Shareholders, no issue of the Bonus Shares will be made to such Overseas Shareholders.

Overseas Shareholders receiving a copy of the circular about the Bonus Issue may not treat the same as an invitation to participate in the Bonus Issue unless invitation could lawfully be made to him/her/it without requiring the Company or such Overseas Shareholders to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to those Overseas Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net

proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

### **General Mandate**

The Bonus Issue will be issued pursuant to the General Mandate. The maximum number of Shares which may be issued by the Company pursuant to the General Mandate is 200,000,000 Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate mentioned above. Accordingly, the Bonus Issue is not subject to Shareholders' approval.

### **Status of the Bonus Shares**

Upon issuance, the Bonus Shares will rank *pari passu* in all respects with the Shares then in issue, including the entitlement to receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of those Bonus Shares.

### **Conditions of the Bonus Issue**

The completion of the Bonus Issue is conditional upon:

- (i) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Bonus Shares; and
- (ii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and bye-laws of the Company to effect the Bonus Issue.

Application will be made to the Stock Exchange in respect of such approval for the listings of, and permission to deal in, the Bonus Shares.

### **Certificates for the Bonus Shares**

It is expected that certificates for the Bonus Shares will be posted on or about 2 April 2013 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealing in the Bonus Shares are expected to commence on or about 3 April 2013.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Board”	the board of Directors
“Bonus Issue”	the proposed allotment and issue of Bonus Shares to the Qualifying Shareholders whose names appear on the register of members of the Company on the record Date on the basis of one (1) Bonus Shares for every ten (10) existing Shares held
“Bonus Shares”	the new Shares to be allotted and issued by way of Bonus Issue by the Company as described in this announcement
“Company”	Youyuan International Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose securities are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandate”	a general mandate to issue up to 20% of the issued share capital of the Company granted by the Shareholders to the Directors at the annual general meeting of the Company held on 8 May 2012
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange
“Non-Qualifying Shareholders”	Overseas Shareholders who are excluded from the Bonus Issue and as detailed in the section headed “Overseas Shareholders” in this announcement
“Overseas Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date and whose address(es) as shown in the register of members on that date is(are) outside Hong Kong

“Qualifying Shareholders”	holders of Shares, not being Non-Qualifying Shareholders, whose addresses as shown on the register of members of the Company on the Record Date and are entitled to the Bonus Issue
“Record Date”	15 March 2013, being the date for ascertaining and determining the entitlement of the Shareholders to the Bonus Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board  
**Youyuan International Holdings Limited**  
**KE Wentuo**  
*Chairman*

Hong Kong, 26 February 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Ke Wentuo, Mr. Ke Jixiong, Mr. Cao Xu and Mr. Zhang Guoduan and the independent non-executive directors of the Company are Prof. Zhang Daopei, Prof. Chen Lihui and Mr. Chow Kwok Wai.*