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## **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)**

### **SUPPLEMENTAL ANNOUNCEMENT ON THE PROPOSED EXTENSION OF THE MATURITY DATE AND CONSEQUENTIAL AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS ISSUED ON 20 OCTOBER 2017**

Reference is made to the Company's announcement dated 10 May 2018 on the Extension and Revision as contemplated under the Supplemental Deed.

The Board wishes to clarify that the Conversion Shares issuable upon conversion of the Convertible Bonds (as amended and supplemented by the Supplemental Deed) will be issued under the 2017 General Mandate and not the 2018 General Mandate as disclosed in the Announcement. Details of the 2017 General Mandate are disclosed in this announcement.

The fund raising activities on issue of equity securities in the past twelve months are disclosed in this announcement.

The shareholding structure of the Company as at the date of the Announcement and immediately after the issue of the Conversion Shares upon exercise of the Conversion Right attaching to the Convertible Bonds in full are disclosed in this announcement.

## THE SUPPLEMENTAL DEED

Reference is made to the Company's announcement (the "Announcement") dated 10 May 2018 on the Extension and Revision as contemplated under the Supplemental Deed. Unless otherwise defined in this announcement, capitalised terms defined in the Announcement and the 2017 Announcement have the same meaning when used in this announcement.

## ISSUE OF THE CONVERSION SHARES UNDER THE GENERAL MANDATE

### Issue of the Conversion Shares under the 2017 General Mandate

The Board wishes to clarify that given that the Supplemental Deed was entered into on 10 May 2018 prior to the grant of the 2018 General Mandate which is yet to be approved by the Shareholders at the 2018 AGM, the Conversion Shares issuable upon conversion of the Convertible Bonds (as amended and supplemented by the Supplemental Deed) will be issued under the 2017 General Mandate and not the 2018 General Mandate as disclosed in the Announcement.

The Company has sufficient general mandate under the 2017 General Mandate to cover the Conversion Shares issuable upon conversion in full of the Convertible Bonds (as amended and supplemented by the Supplemental Deed). As such, no specific mandate is to be sought from the Shareholders.

### Details of the 2017 General Mandate

Details of the 2017 General Mandate as at the date of the Announcement and that of this announcement are as follows:

- (1) The total number of new Shares issuable under the 2017 General Mandate is up to 235,753,067 new Shares, representing 20% of the total 1,178,765,339 Shares in issue as at the date of the 2017 AGM;

	<b>Extend of utilisation of the 2017 General Mandate (note)</b>	<b>Total number of new Shares utilised and issued under the 2017 General Mandate</b>
The Convertible Bonds	44,817,927	Nil
The 2017 November CB	31,325,301	Nil
The 2018 February CB	<u>38,453,781</u>	<u>Nil</u>
Total:	<u>114,597,009</u>	<u>Nil</u>

*Note: Assuming each of the convertible securities is to be converted to new Shares upon exercise of the conversion right at its initial conversion price.*

## FUNDS RAISED ON ISSUE OF EQUITY SECURITIES IN THE PAST TWELVE MONTHS

The Company has raised funds on issue of the following equity securities during the past 12 months immediately preceding the date of the Announcement:

<b>Date of announcement</b>	<b>Equity security issued</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of net proceeds raised</b>	<b>Actual use of net proceeds raised</b>
16 October 2017	The Convertible Bonds	HK\$194.3 million	The acquisition (the “Acquisition”) of the equity interest in Xin Wing Enterprises Limited as disclosed in the circular of the Company dated 25 May 2017 and/or as general working capital of the Group	The net proceeds raised were wholly utilised for the Acquisition
3 November 2017	2017 November CB	HK\$151.9 million	The Acquisition	The net proceeds raised were wholly utilised for the Acquisition
23 January 2018	2018 February CB	HK\$171.1 million	The Acquisition and/or as general working capital of the Group	The net proceeds raised to the extent of HK\$117.0 million were utilized in the Acquisition and the remaining net proceeds raised in the amount of HK\$54.1 million were used as general working capital of the Group

The entire net proceeds raised in the amount of approximately HK\$517.3 million has been fully utilised for the purposes as stated in the last column above.

Save as disclosed above, the Company has not conducted other equity fund raising activities during the past 12 months immediately preceding the date of the Announcement.

## SHAREHOLDING STRUCTURE

Assuming there being no change in the share capital and shareholding structure of the Company from the date of the Announcement other than the allotment and issue of the conversion shares issuable under the Convertible Bonds, the 2017 November CB and the 2018 February CB, the shareholding structures of the Company (1) as at the date of the Announcement; and (2) under the various scenarios set out in the table below are as follows:

Shareholder	As at the date of the Announcement		Immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds (Note 1)		Immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds and the 2017 November CB (Notes 1 and 2)		Immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds, the 2017 November CB and the 2018 February CB (Notes 1, 2 and 3)	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
<b>Core connected persons</b>								
<i>Mr. Ke Wentuo and his close associates</i>								
Smart Port Holdings Limited (Note 4)	665,560,500	53.51	665,560,500	51.65	665,560,500	50.43	665,560,500	49.00
Denron International Limited (Note 5)	28,677,000	2.31	28,677,000	2.23	28,677,000	2.17	28,677,000	2.11
	<u>694,237,500</u>	<u>55.82</u>	<u>694,237,500</u>	<u>53.88</u>	<u>694,237,500</u>	<u>52.60</u>	<u>694,237,500</u>	<u>51.11</u>
<i>Ms. Ke Jinzhen and her close associates</i>								
Giantwish International Limited (Note 6)	6,677,000	0.54	6,677,000	0.52	6,677,000	0.50	6,677,000	0.49
Mr. Li Jin Fang (Note 7)	36,793,373	2.96	36,793,373	2.85	36,793,373	2.79	36,793,373	2.71
<i>Mr. Ke Jixiong and his close associates</i>								
Everproud International Limited (Note 8)	41,930,000	3.37	41,930,000	3.25	41,930,000	3.18	41,930,000	3.09
<b>Sub-total:</b>	<u>779,637,873</u>	<u>62.69</u>	<u>779,637,873</u>	<u>60.50</u>	<u>779,637,873</u>	<u>59.07</u>	<u>779,637,873</u>	<u>57.40</u>
<b>Public</b>								
The Bondholder	—	—	44,817,927	3.48	44,817,927	3.40	44,817,927	3.30
Holder of the 2017 November CB	—	—	—	—	31,325,301	2.37	31,325,301	2.31
Holder of the 2018 February CB	—	—	—	—	—	—	38,453,781	2.83
Other public Shareholders	<u>464,087,839</u>	<u>37.31</u>	<u>464,087,839</u>	<u>36.02</u>	<u>464,087,839</u>	<u>35.16</u>	<u>464,087,839</u>	<u>34.16</u>
<b>Total:</b>	<u>1,243,725,712</u>	<u>100</u>	<u>1,288,543,639</u>	<u>100</u>	<u>1,319,868,940</u>	<u>100</u>	<u>1,358,322,721</u>	<u>100</u>

Notes:

1. Assuming conversion of the Convertible Bonds at the initial conversion price of HK\$4.4625

2. Assuming conversion of 2017 November CB at the initial conversion price of HK\$4.98
3. Assuming conversion of 2018 February CB at the initial conversion price of HK\$4.4625
4. It is wholly owned by Mr. Ke Wentuo, the Chairman and an executive Director.
5. It is wholly owned by Ms. Cai Lishuang, the spouse of Mr. Ke Wentuo.
6. It is wholly owned by Ms. Ke Jinzhen, who is a director of a non-wholly owned subsidiary of the Company and the daughter of Mr. Ke Wentuo.
7. Mr. Li Jin Fang is the husband of Ms. Ke Jinzhen.
8. It is wholly owned by Mr. Ke Jixiong, an executive Director and the son of Mr. Ke Wentuo.

By order of the Board  
**Youyuan International Holdings Limited**  
**Ke Wentuo**  
*Chairman*

Hong Kong, 15 May 2018

*As at the date of this announcement, the executive Directors are Mr. Ke Wentuo, Mr. Ke Jixiong, Mr. Cao Xu, Mr. Zhang Guoduan and Ms. Lian Bi Yu and the independent non-executive Directors are Prof. Zhang Daopei, Prof. Chen Lihong and Mr. Chow Kwok Wai.*