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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Youyuan International Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) announces that on 2 July 2019 (the “**Date of Grant**”), the Company granted to certain eligible participants of the Group (the “**Grantees**”) 42,000,000 share options (the “**Share Options**”) to subscribe for a total of 42,000,000 ordinary shares of HK\$0.1 each in the share capital of the Company (the “**Shares**”), subject to acceptance of each of the Grantees, under the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 30 April 2010. A summary of such grant is set out below:

Date of Grant : 2 July 2019

Exercise price of Share Options granted : HK\$2.28 per Share, which represents the highest of (i) the closing price of HK\$2.28 per Share as stated in the daily quotations sheet of the Stock Exchange on 2 July 2019, being the Date of Grant; (ii) the average closing price of HK\$2.26 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the Date of Grant; and (iii) HK\$0.1, the nominal value of the Share on the Date of Grant.

- Number of Share Options granted : a total of 42,000,000 Share Options
- Closing price of the Shares on the Date of Grant : HK\$2.28 per Share
- Validity period of the Share Options and vesting condition : All 42,000,000 Share Options are valid for a period of 10 years from 2 July 2019 subject to the following vesting periods:
- (a) 40% of the Share Options granted to each Grantee shall vest on the Date of Grant;
 - (b) 30% of the Share Options granted to each Grantee shall vest on the first anniversary of the Date of Grant; and
 - (c) 30% of the Share Options to each Grantee shall vest on the second anniversary of the Date of Grant.

Among the 42,000,000 Share Options granted, 20,400,000 Share Options were granted to the following Directors:

Name	Position(s) held with the Company	Number of Share Options granted
Mr. Cao Xu	Executive Director of the Company	9,000,000
Mr. Zhang Guoduan	Executive Director of the Company	9,000,000
Ms. Lian Bi Yu	Executive Director of the Company	600,000
Prof. Zhang Daopei	Independent non-executive Director of the Company	600,000
Prof. Chen Lihong	Independent non-executive Director of the Company	600,000
Mr. Chow Kwok Wai	Independent non-executive Director of the Company	600,000
		20,400,000

None of the Grantees is a chief executive or substantial shareholder of the Company, or any of their respective associates as defined under the Listing Rules.

In accordance with Rule 17.04(1) of the Listing Rules, the grant of Share Options to each of the above Directors have been approved by the independent non-executive Directors (excluding the independent non-executive director who is the grantee of the Share Options). No shareholders approval is required for the grant of Share Options to the independent non-executive Directors under Rule 17.04(1) of the Listing Rules given no grant of Share Options to each of them would result in the Shares issued and to be issued to him upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the Date of Grant (a) representing in aggregate over 0.1% of the Shares in issue; and (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5.0 million.

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

Hong Kong, 2 July 2019

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.