

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
(PROVISIONAL LIQUIDATORS APPOINTED)**

**優源國際控股有限公司
(已委任臨時清盤人)**

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2268)

**(1) QUARTERLY UPDATE ON RESUMPTION
PROGRESS; AND (2) RESIGNATION OF
INDEPENDENT NON-EXECUTIVE DIRECTORS**

This announcement is made by Youyuan International Holdings Limited (Provisional Liquidators Appointed) (“**Company**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 20 September 2019, 9 October 2019, 24 October 2019 and 30 October 2019 (“**Announcements**”). Capitalised terms herein shall bear the same meanings as defined in the Announcements, unless stated otherwise.

BUSINESS OPERATIONS

As disclosed in the annual report of the Company for the fiscal year ended 31 December 2018, the Company is an investment holding company and the principal activities of the Company and its subsidiaries (“**Group**”) are: i) manufacturing and trading of wrapping tissue paper, copy paper and other products in the People’s Republic of China (“**PRC**”); and ii) manufacturing and distribution of wall paper in the PRC. The Company has five operating subsidiaries based in the PRC, including: i) Quanzhou Huaxiang Paper Industry Co., Ltd.; ii) Fujian Xiyuan Paper Co., Ltd.; iii) Fujian Jinjiang Youlanfa Paper Co., Ltd.; iv) Fujian Sunreal Pro-environmental Wallpaper Co., Ltd.; and v) Fujian Taisheng Wallpaper Co., Ltd.

The Provisional Liquidators are currently taking steps to ascertain the status of the Group’s business operations. Further announcements will be made by the Company to provide updates on the business operations of the Group as and when appropriate.

UPDATE ON THE RESUMPTION PROGRESS

Since the appointment of Provisional Liquidators on 18 October 2019, the Provisional Liquidators have been seeking to address the issues causing the Company's trading suspension. The Provisional Liquidators are currently liaising with various parties on the possibility of restructuring of the Group. As at the date of this announcement, the Provisional Liquidators have not received any restructuring proposal.

Further announcements will be made by the Company to provide updates on the resumption progress as and when appropriate.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

On 14 November 2019, the Provisional Liquidators received resignation letters tendered by each of Prof. Zhang Daopei ("**Prof. Zhang**") and Prof. Chen Lihong ("**Prof. Chen**"). Both Prof. Zhang and Prof. Chen resigned as independent non-executive Directors of the Company with effect from 14 November 2019 due to personal reasons. Accordingly, Prof. Zhang and Prof. Chen have also ceased to be the members of each of the audit committee, nomination committee and remuneration committee.

The Provisional Liquidators were advised by Prof. Zhang and Prof. Chen that they have no disagreement with the Board and there is no matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

Immediately upon the resignation of Prof. Zhang and Prof. Chen as independent non-executive Directors:

- (1) the Company has no independent non-executive Directors and fails to meet the minimum number of independent non-executive Directors as required under Rule 3.10(1) and Rule 3.10A of the Listing Rules;
- (2) the Company has no members in the audit committee and fails to meet requirements under Rule 3.21 of the Listing Rules;
- (3) The Company has only one member in the nomination committee and fails to meet the requirements under Rule 8A.27 and Rule 8A.28 of the Listing Rules; and
- (4) The Company has only one member in the remuneration committee and fails to meet the requirements under Rule 3.25 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended on 19 August 2019 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of
Youyuan International Holdings Limited
(Provisional Liquidators Appointed)
Wing Sze Tiffany Wong and
Keith Andrew Williamson
Joint and Several Provisional Liquidators
Acting as agents without personal liability

Hong Kong, 18 November 2019

As at the date of this announcement, the executive Directors are Mr. Ke Wentuo, Mr. Ke Jixiong, Mr. Cao Xu, Mr. Zhang Guoduan.