

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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to report a significant increase in net profit for the year ended 31 December 2010 as compared with that of the year ended 31 December 2009. The information contained in this positive profit alert announcement is only based on the preliminary assessment of the management accounts of the Group by the management of the Company and is not based on any figures or information which has been audited or reviewed by the Company's auditors.

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

This announcement is made by Youyuan International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors (the "**Board**") of the Company wishes to inform shareholders of the Company and potential investors that the Group is expected to report a significant increase in net profit for the year ended 31 December 2010 as compared with that of the year ended 31 December 2009. The significant increase was mainly attributable to increases in both sales volume and average selling price of the Group's products, as well as the introduction of new products such as ivory boards and paper towels in 2010. With much increased the use of recycled materials in the production process, together with benefits derived from better economics of scale, our business results are expected to grow significantly in 2010.

The Group is still in the process of finalising its audited consolidated annual results for the year ended 31 December 2010. The information contained in this announcement is only based on a preliminary assessment of the management accounts of the Group by the management of the Company and is not based on any figure or information which has been audited or reviewed by the Company's auditors. The audited consolidated annual results of the Group for the year ended 31 December 2010 will be published within the timeframe stipulated in the Listing Rules. Shareholders of the Company and potential investors are advised to read the results announcement of the Company when it is published.

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

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

Hong Kong, 25 January 2011

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; the non-executive director of the Company is Mr. Paul Steven Wolansky and the independent non-executive directors of the Company are Prof. Zhang Daopei, Prof. Chen Lihui and Mr. Chow Kwok Wai.