YOUYUE INTERNATIONAL LIMITED
(FORMERLY KNOWN AS YOUCAN FOODS INTERNATIONAL LIMITED)
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200401338W)

News Release

Youyue International Limited to Branch Out Into Sustainable Development Business

Singapore, 12 June 2014 - Youyue International Limited ("Youyue"), formerly Youcan Foods International Limited, is pleased to announce that it has acquired 100% of the issued and paid-up capital of WYW Capital Pte Ltd, a Singapore-incorporated company, which holds the entire equity stake of Harbin Promite Energy Saving Technology Co., Ltd（哈尔滨圣明节能技术有限责任公司）("Harbin Promlite").

Harbin Promlite is a company incorporated in Harbin, the People's Republic of China ("PRC") on 8 November 2012, and is principally engaged in project-based activities involving energy conservation services and sustainable developments. These activities aim to upgrade and/or replace existing infrastructure with environmentally friendly technology and architecture.

"We are happy with this acquisition as we foresee China harnessing energy saving and eco-friendly technology as it gets more socially responsible," says Mr Li Bin, Executive Director of Youyue.

Harbin Promite, though relatively new, has the approval of the PRC National Development and Reform Commission ("NDRC") to qualify as a registered energy conservation service company. This will allow the Harbin Promlite to collaborate with the PRC authorities to participate in energy conservation management projects in the city of Harbin and to apply for National Fiscal Funds Awards in the PRC.

The principal activities of Harbin Promlite can be broadly classified under the following:

(i) provision, installation and management of LED lightings; and

(ii) town planning projects involving green and sustainable technology.

The Group intends to, subsequent to the acquisition of Harbin Promlite, utilise Harbin Promlite as a vehicle to undertake project-based activities involving energy conservation services and sustainable developments (the "**Proposed New Business**").

Harbin Promlite has entered into a LED Lighting Energy Conservation Project (the "LED Project") with Harbin City Inland Waterway Construction Development Co., Ltd. ("Inland Waterway"), a government-affiliated corporation. Pursuant to the LED Project, Inland Waterway will invest in and install street lamp posts and related wirings or to tender out such installation to a third party while Harbin Promlite will correspondingly invest in and install LED light bulbs. Harbin Promlite will maintain the LED light bulbs for a period of 60 months after installation. A third party will be engaged to measure and verify the electricity savings from the LED light bulbs compared to the predecessor energy saving light bulbs. Harbin Promlite will then be entitled to 80% of the pecuniary amount derived from the electricity savings while Inland Waterway will be entitled to the remaining 20%.

As part of the Proposed New Business, Harbin Promlite is also in talks to enter into a town planning project (the "Town Planning Project") involving sustainable development through the upgrading of an existing housing estate in Harbin city using green architect and green technology. Pursuant to the Town Planning Project, Harbin Promlite will be appointed by various departments of Harbin's Municipal Government to carry out the following activities, including but not limited to:

- the substitution of existing coal boilers with solar and gas heating elements;
- the construction of thermal facade walls for the existing buildings;

- the construction of carparks and commercial space on the freed up space previously occupied by the coal boilers in the housing estate;
- the renovation and improvements to existing shop houses in the housing estate;
- the upgrading of the information technology system of the housing estate with more modern facilities such as improved fire and safety alarm systems and indoor fire and safety monitoring systems; and
- the improvement of the overall environment of the housing estate with more greenery, safety features, better street and garden lightings, improved electricity wiring, improved drainage system and recreation facilities etc.

The Town Planning Project is expected to benefit about 1,800 households in an area spanning approximately 160,000 sqm of built-up area known as Hebai estate in Harbin city and a further 7,900 households in an area known as Hongqi estate in Harbin city over the course of the next 1 to 2 years. The Town Planning Project is intended to extend the useful life of the buildings and improve the living standard and comfort of the residents and is in line with the NDRC's policy to promote sustainable development and energy saving and emission reduction, as well as to promote the implementation of plans and policy measures for ecological building, energy and resource conservation.

The sources of revenue of the Town Planning Project are expected to be:

(a) grants and subsidies from the PRC government;
(b) income from providing heat to the households through the solar and gas heating elements during winter;
(c) the sale and/or rental of the residential/commercial units in the upgraded buildings;
(d) the sale of the carpark lots (of which ownership is held by Harbin Promlite according to local governmental regulations); and
(e) renovation revenue from the extension or improvements to ground level shop houses.

The China Academy of Building Research has agreed that the town planning project for Hebai estate in Harbin city to be undertaken by Harbin Promlite will serve as a research and demonstration project for the upgrading of existing buildings with green technology and architect under the National Science & Technology Support Program. Once completed and accepted by the relevant authorities, Harbin Promlite is encouraged to apply for the National Green Building Rating and/or the National Green Building Innovation Award, which would then enable Harbin Promlite to secure even more projects of similar nature in the future.

The entry into the Proposed New Business shall be conditional upon the Shareholders' approval at an EGM of the Company to be convened in the near future.

"We can leverage on Youyue International Limited's status as a listed company. The 'Made in Singapore' brand will offer us a competitive advantage as we develop our markets both in Mainland China and abroad as we are well-positioned to capitalise on the trend of green and sustainable development in PRC," says Ms Wu Xueying, executive director of Youyue and Deputy General Manager of Harbin Promlite.

It was reported at PRC's annual parliamentary session in March 2014 that only 3 out of 74 major PRC cities met the pollution standards in 2013 and the PRC State Council has outlined an extensive list of policies it will implement to meet the pollution standards. Improving and promoting green, sustainable and low-carbon emissions are therefore keys to meeting the pollutions standards.

The acquisition of Harbin Promlite is in line with Youyue's re-engineering plans as it is able to diversify into new businesses for additional income streams on top of its current manufacturing and sale of packaging products business so as to further improve its financial position to meet the requirements of the removal of its SGX-ST Watch-list status.

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About Youyue International Limited

Youyue International Limited, formerly Youcan Foods International Limited, is in the business of manufacturing and sale of flexible packaging products offering its services in Zhejiang province and its surrounding areas.

Issued for and on behalf of Youyue International Limited

By

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