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POU SHENG INTERNATIONAL (HOLDINGS) LIMITED

寶勝國際（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

SUBSCRIPTIONS UNDER THE SHARE SUBSCRIPTION PLAN

The period within which Subscriptions under the Share Subscription Plan are to be made by the relevant Grantees has expired. The Board has decided not to enforce the Subscriptions.

The Pou Sheng Shares were initially listed on the main board of the Stock Exchange in June 2008 by way of spin-off from Yue Yuen. In May 2008, Pou Sheng adopted the Share Subscription Plan under which invitations were made and accepted by eleven Grantees to subscribe for new Pou Sheng Shares at a price which is at 30% discount to the initial offering price of Pou Sheng Shares. A summary of the principal terms of the Share Subscription Plan was set out in the prospectus of Pou Sheng dated 26th May, 2008 in relation to its initial listing.

The Subscriptions are all on substantially similar terms except in relation to the number of Pou Sheng Shares and names of the Grantees. The following is a summary of the principal terms of the Subscriptions.

- (a) Subscriptions for new Pou Sheng Shares are to be made by the relevant Grantee at a fixed price which is at a discount of approximately 30% to the initial public offering price of HK\$3.05, i.e. at HK\$2.14 per Pou Sheng Share;
- (b) there are two tranches of Subscriptions for each Grantee (i) 5 years; and (ii) 10 years;

- (c) the Subscriptions have attached to them annual vesting conditions relating to service period of the relevant Grantee, i.e. the relevant Grantee has to remain as an employee of a Group Company at each anniversary of the Subscription in order for each year's subscription to vest;
- (d) subscriptions are vested in the Grantees every year evenly over the 5-year and 10-year period, i.e. one-fifth and one-tenth of the total subscriptions vesting respectively each year; and
- (e) the first Subscriptions were vested in each Grantee at the end of May 2009.

The Subscriptions are contractual commitments between the relevant Grantee and Pou Sheng under which the relevant Grantee agreed to subscribe for, and Pou Sheng agreed to issue, new Pou Sheng Shares at each anniversary so long as he or she remains an employee of a Group Company at the relevant time. The Subscriptions are not options. The Share Subscription Plan is not a scheme within Chapter 17 of the Listing Rules.

All the first tranche of Subscriptions were required to be made within 10 business days of the first anniversary of the relevant invitations. The latest date for the relevant Grantees to subscribe for new Pou Sheng Shares is 8th June, 2009. As at the date of this announcement, no Subscription has been made by any Grantee. The Pou Sheng Board has decided for the time being not to enforce any of these Subscriptions for the following reasons:-

- (a) given the recent performance of Pou Sheng Shares, the Subscriptions are currently deeply "out-of-the-money";
- (b) the purpose of the Subscriptions was to reward the relevant Grantees and enforcing such contracts would not be in keeping with that purpose;
- (c) enforcing the Subscriptions would likely alienate the Grantees who are important to the business and growth of the Group; and
- (d) without the proceeds from the Subscriptions, the working capital or financial position of the Group would not be materially adversely affected.

Two of the eleven Grantees, namely Ms. Judy Shih and Mr. Phil Yang, ceased to be a Grantee on 28th February 2009 and 31st March 2009, respectively when they left the employment of Pou Sheng and accordingly their subscription rights have automatically lapsed. In addition, four of the Grantees are directors of Pou Sheng namely Mr. Lee Chung Wen, Mr. Huang Chun Hua, Ms. Chang Karen Yi-Fen and Mr. Lu Ning, but they took no part in the decision of the Pou Sheng Board not to seek to enforce the Subscription.

The Pou Sheng Board is considering other share award compensation schemes which are more appropriate in the current circumstances and will make an announcement in compliance with the requirements of the Listing Rules as and when necessary.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

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| “Grantees” | persons who have been extended and who have accepted the Subscriptions |
| “Group” | Pou Sheng and its subsidiaries, and “Group Company” shall be construed accordingly |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Pou Sheng” or “Company” | Pou Sheng International (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange with stock code 3813; |
| “Pou Sheng Board” | the board of directors of Pou Sheng; |
| “Pou Sheng Shares” | ordinary share(s) of HK\$0.01 each in the issued share capital of Pou Sheng |
| “Share Subscription Plan” or “Plan” | share subscription plan of Pou Sheng adopted by an ordinary resolution of Pou Sheng on 14th May, 2008; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriptions” | subscriptions of new Pou Sheng Shares to be made by Grantees under the Share Subscription Plan |
| “Yue Yuen” | Yue Yuen Industrial (Holdings) Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange with stock code 551; |

“HK\$” Hong Kong dollar(s), the lawful currency in Hong Kong; and

“%” per cent

By Order of the board of
Pou Sheng International (Holdings) Limited
Tsai David, Nai Fung
Chairman

Hong Kong, 8 June 2009

As at the date of this announcement, Mr. Tsai David, Nai Fung (chairman and non-executive director); Mr. Lee Chung Wen, Mr. Huang Chun Hua, Mr. Lu Ning and Ms. Chang Karen Yi-Fen are the executive directors; Ms. Tsai Patty, Pei Chun and Ms. Kuo, Li-Lien are the non-executive directors; and Mr. Chen Huan-Chung, Mr. Hu Sheng-Yih, Mr. Mak Kin Kwong and Mr. Cheng Ming Fun Paul are the independent non-executive directors.

Website: www.pousheng.com