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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)

**CONNECTED TRANSACTION
IN RELATION TO
PROCESSING AGREEMENT WITH YUE YUEN**

Fanchang Yusheng, an indirect wholly-owned subsidiary of the Company, entered into the Supplemental AM Processing Agreement with Dongguan Gaobu, a processing factory established in the PRC and controlled and operated by Yue Yuen, on 27 June 2013 in relation to revision of footwear processing service fees.

Reference is made to the announcement of Pou Sheng International (Holdings) Limited (the “Company”) dated 26 March 2013 (the “Announcement”) in relation to the Processing Agreements in respect of footwear processing services. Terms defined in the Announcement have the same meanings when used herein unless otherwise stated.

Under the AM Processing Agreement, Dongguan Gaobu has agreed to engage Fanchang Yusheng to provide processing services in respect of footwear for a specific brand at an agreed total processing service fee of RMB2,264,230 (equivalent to approximately HK\$2,857,458). On 27 June 2013, Dongguan Gaobu and Fanchang Yusheng entered into a supplemental production processing agreement (“Supplemental AM Processing Agreement”) in respect of the revision of footwear processing service fees. Under the AM Processing Agreement, the footwear processing fees were RMB2,264,230 (equivalent to approximately HK\$2,857,458). Due to unexpected increase in operating costs, the footwear processing service fees have been increased to RMB2,883,962.5 (equivalent to approximately HK\$3,639,561) under the Supplemental AM Processing Agreement.

As Yue Yuen is a controlling shareholder of the Company holding 3,295,923,560 Shares (approximately 61.8% of the issued share capital of the Company as at the date of this announcement) and Dongguan Gaobu is an associate of Yue Yuen, the entering into of the Supplemental AM Processing Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the relevant percentage ratio (as defined in the Listing Rules) in respect of the Supplemental AM Processing Agreement when aggregated with the PM Processing Agreement are more than 0.1% but less than 5%, the Supplemental AM Processing Agreement and the PM Processing Agreement are subject to the reporting and announcement requirements under Rule 14A.32 of the Listing Rules.

Having considered the basis for increase of operating costs, the Directors (including the independent non-executive directors) are of the view that terms of the Supplemental AM Processing Agreement are fair and reasonable and are on normal commercial terms and the transactions contemplated under the Supplemental AM Processing Agreements are in the interests of the Company and the Shareholders as a whole.

Mr. Tsai David, Nai Fung, Ms. Tsai Patty, Pei Chun and Mr. Li I-nan who are also directors of Yue Yuen, are considered to have a material interest in the Supplemental AM Processing Agreement by virtue of their directorship with Yue Yuen and have abstained from voting on the relevant resolutions approving the Supplemental AM Processing Agreement at the relevant Board meeting.

For the purpose of this announcement, amounts denominated in RMB have been translated into HK\$ at an exchange rate of RMB1:HK\$1.262. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the relevant dates at the above rates or at any other rates at all.

By Order of the Board
Tsai David, Nai Fung
Chairman

Hong Kong, 27 June 2013

As at the date of this announcement, Mr. Tsai David, Nai Fung is the Chairman and Non-executive Director; Mr. Kwan, Heh-Der is the Chief Executive Officer and Executive Director; Mr. Wu, Pan-Tsu is the Executive Director; Ms. Tsai Patty, Pei Chun and Mr. Li I-nan are the Non-executive Directors; and Mr. Chen Huan-Chung, Mr. Chang Li Hsien, Leslie and Mr. Hsieh, Wuei-Jung are the Independent Non-executive Directors.

Website: www.pousheng.com