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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)**

### **AMENDED AND RESTATED LETTER OF INTENT IN RELATION TO PROPOSED ACQUISITION OF ASSETS**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 21 December 2011, PS Investment and the Vendor entered into a non-legally binding Amended and Restated Letter of Intent in relation to the Proposed Acquisition. The Amended and Restated Letter of Intent supersedes and replaces the Letter of Intent dated 30 September 2011.

**The Amended and Restated Letter of Intent is non-legally binding and the Proposed Acquisition is subject to completion of the due diligence, negotiations and entering into of a formal agreement. As the Proposed Acquisition may or may not be consummated, Shareholders and investors should exercise caution when dealing in the Shares.**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

### **AMENDED AND RESTATED LETTER OF INTENT**

Reference is made to the Announcement. On 21 December 2011, PS Investment and the Vendor entered into a non-legally binding (save as to treatment of Deposit and exclusivity) Amended and Restated Letter of Intent in relation to the Proposed Acquisition. The Amended and Restated Letter of Intent supersedes and replaces the Letter of Intent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is third party independent of and not connected with the Company or its connected persons (as defined in the Listing Rules).

### **Major terms of the Amended and Restated Letter of Intent**

Under the Amended and Restated Letter of Intent, it is proposed that PS Investment will acquire shop assets, business and the underlying interests (including but not limited to branding and personnel) in the sportswear retailing business in the PRC owned by the Vendor or its related parties.

PS Investment has been conducting due diligence on the target assets and business of the Vendor since the execution of the Letter of Intent. Both parties will proceed to the negotiations for a formal agreement upon completion of the due diligence to set out details of the target and structure of the Proposed Acquisition.

Pursuant to the Amended and Restated Letter of Intent, PS Investment has agreed to provide compensation to the owners, controllers and operators of the Vendor as consideration for providing business opportunities to PS Investment and a non-compete undertaking.

The consideration for the Proposed Acquisition will be determined based on the assets of the Vendor and the due diligence conducted by PS Investment. The compensation for the provision of business opportunities is expected to comprise of both cash and new shares in the Company. The manner of payment of the consideration for the Proposed Acquisition and treatment of new shares in the Company will be provided in a formal agreement to be entered into between the parties.

Pursuant to the Amended and Restated Letter of Intent, PS Investment will pay a refundable Deposit to the Vendor further to the initial deposit paid under the Letter of Intent with a view to securing further discussions and coordination with the Vendor on the Proposed Acquisition and the execution details if the Proposed Acquisition materialises and an extension of exclusivity period. The Deposit will form part of the consideration for the Proposed Acquisition. In the event that the Proposed Acquisition is not completed on or before 1 April 2012 or the parties fail to enter into a legally binding formal agreement prior to the expiry of the exclusivity period as provided in the Amended and Restated Letter of Intent, the Vendor shall return the full amount of the Deposit together with interest.

The Vendor has undertaken under the Amended and Restated Letter of Intent not to enter into discussions or negotiations with any third party in respect of the Proposed Acquisition or take any action which would prejudice the Proposed Acquisition during the period commencing from the date of the Amended and Restated Letter of Intent and ending on (a) the date of execution of the framework agreement; (b) the date of termination of the Proposed Acquisition as agreed between the parties; (c) the date

on which the shareholders or directors of the Company have vetoed the Proposed Acquisition; (d) the date on which the major brands notify PS Investment or a designated third party of PS Investment in writing of their intention to terminate the license to sell their sports related goods in premises currently operated by the Vendor; (e) 1 February 2012; or (f) the date on which the full amount of the Deposit and interest is returned to PS Investment, whichever is the earliest.

Save for the provisions relating to the Deposit and exclusivity as described above, the Amended and Restated Letter of Intent is non-legally binding.

### **INFORMATION ON THE COMPANY, PS INVESTMENT AND THE VENDOR**

The Company is an investment holding company and is a subsidiary of Yue Yuen. The Company and its subsidiaries are leading sportswear retailers in the PRC and are engaged in retail business, brand licensee business and manufacturing business. The Vendor is principally engaged in, inter alia, sportswear retailing business in the PRC. PS Investment is an indirect wholly-owned subsidiary of the Company and its principal business activities are, inter alia, investment holding, import and export of sports related goods, research and development, and provision of procurement and consultation services.

### **REASONS FOR THE PROPOSED ACQUISITION**

The Group has been looking for opportunities to expand its retail network to various geographic regions in the PRC. The Proposed Acquisition will strengthen the Company's market position in regards to geographic coverage in the retail sportswear industry in the PRC.

### **LISTING RULES IMPLICATION**

The Proposed Acquisition, if materialises, may constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement containing required disclosure under Chapter 14 of the Listing Rules will be made by the Company if and when necessary.

**The Amended and Restated Letter of Intent is non-legally binding and the Proposed Acquisition is subject to completion of the due diligence, negotiations and the entering into of the formal agreement. As the Proposed Acquisition may or may not be consummated, Shareholders and investors should exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Amended and Restated Letter of Intent”	the amended and restated letter of intent dated 21 December 2011 entered into between PS Investment and the Vendor in relation to the Proposed Acquisition, which supersedes and replaces the Letter of Intent
“Announcement”	the announcement of the Company dated 30 September 2011 in relation to the Proposed Acquisition
“Board”	the board of Directors
“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
“Deposit”	a refundable deposit payable in two instalments in relation to the Proposed Acquisition
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Letter of Intent”	the letter of intent dated 30 September 2011 (as supplemented by a supplemental letter of intent dated 30 September 2011) entered into between PS Investment and the Vendor in relation to the Proposed Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Acquisition”	the proposed acquisition of the shop assets, business and the underlying interests in the sportswear retailing business in the PRC owned by the Vendor or its related parties
“PRC”	the People’s Republic of China
“PS Investment”	常勝投資有限公司 (Pou Sheng (China) Investment Co., Ltd.), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	the vendor under the Letter of Intent and the Amended and Restated Letter of Intent, being a company established in the PRC with limited liability;
“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

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

Hong Kong, 21 December 2011

*As at the date of this announcement, Mr. Tsai David, Nai Fung is the Chairman and non-executive director; Ms. Chang Karen Yi-Fen is the Chief Executive Officer and executive director; Ms. Tsai Patty, Pei Chun and Ms. Kuo, Li-Lien are the non-executive directors; and Mr. Chen Huan-Chung, Mr. Hu Sheng-Yih and Mr. Chang Li Hsien, Leslie are the independent non-executive directors.*

*Website: [www.pousheng.com](http://www.pousheng.com)*