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**YUE YUEN INDUSTRIAL
(HOLDINGS) LIMITED**

裕元工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 551)



**POU SHENG INTERNATIONAL
(HOLDINGS) LIMITED**

寶勝國際(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

JOINT ANNOUNCEMENT

TERMINATION OF SHARE SUBSCRIPTION PLAN OF POU SHENG INTERNATIONAL (HOLDINGS) LIMITED

The Share Subscription Plan and all outstanding Subscription rights to subscribe for Pou Sheng Shares thereunder have been terminated.

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

Termination of Share Subscription Plan

Reference is made to the announcement (the “Announcement”) of Pou Sheng dated 8th June, 2009 in relation to the decision of the Pou Sheng Board not to enforce the relevant Subscriptions made under the Share Subscription Plan. At the time of initial listing of the Pou Sheng Shares in June 2008, Pou Sheng adopted the Share Subscription Plan under which invitations were made and accepted by eleven Grantees, four of whom are currently directors of Pou Sheng (namely Mr. Lee Chung Wen, Mr. Huang Chun Hua, Ms. Chang Karen Yi-Fen and Mr. Lu Ning) to subscribe for new Pou Sheng Shares at a price which is at 30% discount to the initial offering price of Pou Sheng Shares.

As disclosed in the Announcement, the latest date for the relevant Grantees to subscribe for new Pou Sheng Shares under the first Subscription was 8th June, 2009. As at 8th June, 2009, no Subscription was made by any Grantee. The Pou Sheng Board decided not to enforce any of those Subscriptions at the time of the Announcement. The Pou Sheng Board has also resolved to terminate the Plan in light of the current circumstances having regard to the recent performance of the price of the Pou Sheng Shares.

* *for identification purpose only*

Three of the eleven Grantees, namely Ms. Shih Chin Chu, Mr. Yang Chin and Mr. Chen Chien Chih, ceased to be Grantees on 28th February, 2009, 31st March, 2009 and 31st July, 2009, respectively, when they left the employment of Pou Sheng and accordingly their subscription rights automatically lapsed. On 4th September, 2009, Pou Sheng and all eight relevant Grantees agreed to terminate all the existing outstanding Subscriptions and have agreed to release each other from their respective obligations under the Subscriptions so that Pou Sheng will not be required to issue new Pou Sheng Shares and the relevant Grantees will not be required to subscribe for new Pou Sheng Shares.

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 to terminate the Plan and their Subscriptions. The Subscriptions by these connected persons are therefore connected transactions of Pou Sheng and were approved by shareholders of Pou Sheng and Yue Yuen, respectively at the time of the invitations (except for Mr. Lu Ning who became a director of Pou Sheng after he accepted his Subscriptions).

As the terminations do not involve any penalty, payment or compensation, the termination of the Subscriptions in respect of the four directors of Pou Sheng are connected transactions of zero value. Such terminations are not subject to announcement, reporting or independent shareholders approval requirements under Chapter 14A of the Listing Rules.

The total number of new Pou Sheng Shares that may be issued under the Share Subscription Plan are 87,384,600 Pou Sheng Shares, representing approximately 2.04% of the total issued share capital of Pou Sheng.

After the termination of the Share Subscription Plan, Pou Sheng has in place the Existing Share Option Scheme falling under Chapter 17 of the Listing Rules.

As Pou Sheng is a subsidiary of Yue Yuen, the cancellation of the four relevant Subscriptions also constitutes connected transactions for Yue Yuen which are not subject to announcement, reporting or independent shareholders approval requirements.

As a result of the termination of the outstanding Subscriptions, an approximate amount of US\$8.5 million is expected to be charged to the income statement of the Pou Sheng Group for the year ending 30th September, 2009. This charge is material but has no effect on the cash flow for the Pou Sheng Group's operations and accordingly will not affect the business of the Pou Sheng Group.

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

DEFINITIONS

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

“Existing Share Option Scheme”	the share option scheme of Pou Sheng approved by a written resolution of the sole shareholder passed on 14th May, 2008 and approved by resolution of the shareholders of Yue Yuen on 22nd May, 2008 and adopted by a resolution of the Pou Sheng Board on 14th May, 2008;
“Grantee(s)”	person(s) who have been extended and who have accepted the Subscriptions;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Pou Sheng”	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 Group”	Pou Sheng and its subsidiaries, and a “Pou Sheng Group Company” shall be construed accordingly;
“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;
“Subscription(s)”	subscription(s) of new Pou Sheng Shares agreed to be made by Grantees under invitations accepted by the Grantees;
“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;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

By Order of the board of
**Yue Yuen Industrial
(Holdings) Limited**
Tsai Chi Neng
Chairman

By Order of the board of
**Pou Sheng International
(Holdings) Limited**
Tsai David, Nai Fung
Chairman and Acting Chief Executive Officer

Hong Kong, 4th September, 2009

As at the date of this announcement, in respect of Yue Yuen, Mr. Tsai Chi Neng (Chairman), Mr. David N. F. Tsai (Managing Director), Mr. Kuo Tai Yu, Mr. Lu Chin Chu, Mr. Kung Sung Yen, Mr. Chan Lu Min, Mr. Li I Nan, Steve, Miss Tsai Pei Chun, Patty and Ms. Kuo, Li-Lien are the Executive Directors, Mr. John J. D. Sy is the Non-executive Director, and Mr. So Kwan Lok, Dr. Liu Len Yu and Mr. Leung Yee Sik are the Independent Non-executive Directors.

As at the date of this announcement, in respect of Pou Sheng, Mr. Tsai David, Nai Fung (Chairman and Acting Chief Executive Officer), 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-Len 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.

Websites: www.yueyuen.com, www.pousheng.com