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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)

**ANNOUNCEMENT
INSIDE INFORMATION,
TERMINATION OF EMPLOYMENT OF
CHIEF FINANCIAL OFFICER AND
RESIGNATION OF CHIEF EXECUTIVE OFFICER AND
EXECUTIVE DIRECTOR**

This announcement is made by the board (the “**Board**”) of directors (“**Directors**”) of Pou Sheng International (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

During the course of the preparation of the annual results for the year ended 31 December 2016 and the internal review of the accounting records of the Company, the Company discovered on 6 January 2017 certain incorrect sales records in the month of December 2016, which could potentially lead to recognition of revenue for sales transactions that did not take place before end of year 2016 (the “**Incident**”). The amount of purported sales under the Incident is not significant when compared to the level of revenue of the Company. The Board considers that the Incident reveals weakness over the financial controls of the Company. The Board believes that the Incident would not materially affect any financial information already published by the Company prior to the date of this announcement. Furthermore, the Company has immediately engaged Deloitte Touche Tohmatsu (“**Deloitte**”), to carry out a thorough check on the accounting records of the Company. The Company will publish a further announcement if the check of the accounting records reveals any further issues. The Board and the audit committee of the Company will also work closely with Deloitte to ensure that the audit work concerning the accounts of the Group for the year ended 31 December 2016 will be carried out cautiously in light of the Incident.

As a result of the Incident and based on the preliminary review of the sales and accounting records, the Chief Financial Officer of the Company, Mr. Chen Kuo-Lung (“**Mr. Chen**”) was found to have authorized and approved the purported sales under the Incident. Accordingly, the Board has decided to terminate the employment of Mr. Chen with immediate effect from 6 January 2017. Further, the Chief Executive Officer and executive Director of the Company, Mr. Kwan, Heh-Der (“**Mr. Kwan**”), having been made aware of the Incident, has tendered his resignation letter to the Board, which was accepted by the Board and took effect from 6 January 2017. Each of Mr. Chen and Mr. Kwan has confirmed that there is no disagreement with the Board and, save as disclosed herein, there is no matter relating to his termination or resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”). The Company is in the course of identifying suitable candidates to fill the vacancies left by the termination of Mr. Chen’s employment as the Chief Financial Officer of the Company and the resignation of Mr. Kwan as the Chief Executive Officer of the Company. Before the suitable candidates are identified, the relevant duties of the Chief Financial Officer will be undertaken by other senior members in the accounting department of the Company and the role and responsibilities of the Chief Executive Officer will be assumed by Mr. Wu, Pan-Tsu, the executive Director and Chairman of the Board of the Company.

Based on the foregoing, the Board is of the view that the Incident, the termination of Mr. Chen as the Chief Financial Officer of the Company and the resignation of Mr. Kwan as the Chief Executive Officer and executive Director of the Company have not created any material adverse impact on the daily business operations or the financial status of the Group. In addition, the annual audit work on the accounts of the Group for the year ended 31 December 2016 has not yet commenced as at the date of this announcement. It is expected that the Incident will not have any significant impact on the release of final results of the Group for the year ended 31 December 2016.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Wu, Pan-Tsu
Chairman

Hong Kong, 8 January 2017

As at the date of this announcement, the Board comprises:

Executive Directors

Mr. Wu, Pan-Tsu (Chairman)

Non-executive Directors

Ms. Tsai Patty, Pei Chun and Mr. Li I-nan

Independent Non-executive Directors

Mr. Chen, Huan-Chung, Mr. Hsieh, Wuei-Jung and Mr. Shan Xue

Website: www.pousheng.com