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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)

PROPOSED DISCLOSEABLE TRANSACTION BY WAY OF SPIN-OFF AND SEPARATE LISTING OF POU SHENG INTERNATIONAL (HOLDINGS) LIMITED AND ITS SUBSIDIARIES ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

FINAL OFFER PRICE PER POU SHENG SHARE

The Company wishes to announce that the final offer price per Pou Sheng Shares under the Global Offering is HK\$3.05 per Pou Sheng Share (excluding brokerage fee, SFC transaction levy fee and the Stock Exchange trading fee).

As a listing of the Pou Sheng Shares pursuant to the Proposed Spin-off is subject to, among others, the final decision of the Board and the board of directors of Pou Sheng, the Proposed Spin-off may or may not occur. Yue Yuen Shareholders and other investors are reminded to exercise with caution when dealing in the securities of Yue Yuen.

* For identification only

Reference is made to the announcements of Yue Yuen Industrial (Holdings) Limited (the “Company”) dated 12th December, 2007, 29th April, 2008, 14th May, 2008 and 26th May, 2008 and the circular (the “Circular”) of the Company dated 6th May, 2008 in relation to, among other things, the proposed spin-off and separate listing of Pou Sheng International (Holdings) Limited. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Circular.

The Company wishes to announce that the final offer price per Pou Sheng Shares under the Global Offering is HK\$3.05 per Pou Sheng Share (excluding brokerage fee, SFC transaction levy fee and the Stock Exchange trading fee).

Based on the final offer price stated in this announcement and on the assumption that the Over-allotment Option is not exercised, it is estimated that the aggregate proceeds from the Global Offering (before deduction of expenses) will be approximately HK\$2,511 million. Based on the final offer price of HK\$3.05 per Pou Sheng Share, the amount of expected gain to the Company resulting from the Proposed Spin-off is estimated to be approximately US\$156 million assuming the Over-allotment Option is not exercised. The actual gain to be recognised by the Company which will be calculated by reference to, amongst other things, the financial position of the Pou Sheng Group at the time of completion of the Global Offering, will be reflected in the results of the Company for the financial year ending 30th September, 2008.

As a listing of the Pou Sheng Shares pursuant to the Proposed Spin-off is subject to, among others, the final decision of the Board and the board of directors of Pou Sheng, the Proposed Spin-off may or may not occur. Yue Yuen Shareholders and other investors are reminded to exercise with caution when dealing in the securities of Yue Yuen.

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

As at the date of this announcement, Mr. Tsai Chi Neng (Chairman), Mr. David N. F. Tsai (Managing Director), Mr. Edward Y. Ku, Mr. Kuo Tai Yu, Mr. Lu Chin Chu, Mr. Kung Sung Yen, Mr. Chan Lu Min, Mr. Li I Nan, Steve and Miss Tsai Pei Chun, Patty are the Executive Directors, Mr. John J. D. Sy is a Non-executive Director, and Mr. So Kwan Lok, Mr. Poon Yiu Kin, Samuel and Dr. Liu Len Yu are the Independent Non-executive Directors.

Hong Kong, 30th May, 2008

Website: www.yueyuen.com