PPS International (Holdings) Limited
寶 聯 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION OF MAJORITY INTEREST IN HONG KONG AUTOMOBILE RESTORATION GROUP LIMITED

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

THE POSSIBLE ACQUISITION

The Board announces that on 20 October 2014 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into a non-legally binding MOU with the Vendors in relation to the acquisition of the majority of interests in Hong Kong Automobile Restoration Group Limited for a consideration to be determined by the Purchaser and the Vendors (i.e. the Possible Acquisition). A deposit of HK$4.5 million has been paid to the Vendors upon signing of the MOU subject to terms disclosed herein.

The Board wishes to emphasis that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it will constitute a notifiable transaction for the Company under the GEM Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.

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The Board announces that the Purchaser, a wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Vendors in relation to the Possible Acquisition.

MOU

Set out below are the material terms of the MOU:

Date:	20 October 2014 (after trading hours)
Parties:	
The purchaser:	Go Million Limited
The vendors:	(i) Lofty East Limited; and (ii) Creation Era Limited To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, neither the Vendors nor their respective associates are a connected person of the Company as defined under the GEM Listing Rules.
Subject matter:	not less than 51% of the issued share capital of the Target Company
Consideration:	The consideration for the Possible Acquisition is subject to further negotiation between the Purchaser and the Vendors. It is intended that the consideration shall be settled by either one of the following manners: (i) by cash; (ii) by way of issue of promissory note of the Company; (iii) by way of allotment and issue of the convertible bonds of the Company; or (iv) the combination of the above. The Formal Agreement is expected to be entered into by the Purchaser and the Vendors within 90 days from the date of the MOU or such other days as agreed by the parties.
Deposit:	HK$4.5 million The deposit is refundable only if the Formal Agreement is not entered into between the parties solely due to the fault of the First Vendor, the deposit of HK$4.5 million shall be refunded to the Purchaser by the First Vendor and the First Vendor shall also bear all reasonable costs incurred by the Purchaser in relation to the Possible Acquisition (including but not limited to legal costs and fees of professional advisors).
Condition precedents:	If the Possible Acquisition materialises, completion of the Possible Acquisition is subject to the following conditions being fulfilled: (i) the results of the due diligence review in relation of the Target Group being to the reasonable satisfaction of the Company;

(ii) the passing of the Shareholders' approval at the extraordinary general meeting of the ordinary resolution(s) to approve the Formal Agreement and the transactions contemplated thereunder;

(iii) the Company having obtained the listing approval of its securities to be issued as the consideration of the Possible Acquisition (if applicable); and

(iv) the Purchaser and Vendors having agreed with the major terms of the Possible Acquisition and entered into the Formal Agreement.

Exclusivity Period 90 days from the date of the MOU or such longer period as may be agreed during which the Vendors or their respective affiliates shall not enter into any negotiation, arrangement or agreement similar or relating to the Possible Acquisition with any other party.

Termination The MOU shall be automatically lapsed and ceased to have any effect if the Formal Agreement is not concluded within 90 days from the date of the MOU or such other dates as agreed by the parties.

REASONS FOR THE POSSIBLE ACQUISITION

The Group is principally engaged in the provision of environmental services which include the provision of cleaning and related services for (i) public area and office cleaning services which involve cleaning of public areas, carpets, floors, toilets, changing rooms, lifts and escalators and emptying of garbage bins at commercial buildings, residential complexes, shopping arcades, hotels and their tenants and public transport facilities such as airport, ferries, ferry terminal, cargo and logistics centre and depots; (ii) overnight kitchen cleaning services mainly at private club and hotels; (iii) external wall and window cleaning services; (iv) stone floor maintenance and restoration services; (v) pest control and fumigation services; (vi) waste management and disposal solutions which mainly involve collection, transportation and disposal of household waste, construction waste and trade waste and sales of recyclable waste such as paper, metal and plastic waste collected during our operations; (vii) housekeeping services where we provide housekeeping services to carry out professional daily housekeeping and cleaning services at local boutique hotels, hostels and serviced apartments; (viii) secure and confidential waste destruction for commercial clients; and (ix) sanitation solution for yacht; and cleaning and waste management solution for renovated apartment.

The Target Group is principally engaged in motor vehicles beauty services including cars detailing, repairing and maintenance services in Hong Kong, Macau and Taiwan. The Directors consider that the Possible Acquisition, if materializes, represents an opportunity for the Group to diversify its business portfolio into car beauty service and introduce a new revenue stream to the Group. The Directors consider the terms of the MOU are fair and reasonable and the Possible Acquisition is in the interests of the Company and Shareholders as a whole.

GENERAL

The Board wishes to emphasis that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it will constitute a notifiable transaction for the Company under the GEM Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"associates"	having the meaning as ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors from time to time
"Business Day"	a day (other than a Saturday, a Sunday and a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"Company"	PPS International (Holdings) Limited, a company incorporated in Caymans Islands with limited liability, the issued Shares of which are listed on GEM
"connected persons"	having the meaning as ascribed thereto under the GEM Listing Rules
"Director(s)"	the director(s) of the Company (including the independent non-executive directors) from time to time
"First Vendor"	Lofty East Limited, a company incorporated in the British Virgin Islands with limited liability, which is interested in 65% of the issued share capital of the Target Company and an Independent Third Party
"Formal Agreement"	the formal sale and purchase agreement which may or may not be entered into by the Purchaser and the Vendors in relation to the Possible Acquisition
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Third Party"	a party independent of and not connected to the Company and its connected persons
"MOU"	the non-legally binding memorandum of understanding dated 20 October 2014 entered into among the Vendors, and the Purchaser setting out the preliminary understanding in relation to the Possible Acquisition
"Possible Acquisition"	the possible acquisition by the Group from the Vendors of the majority interests (not less than 51% of the issued share capital of the Target Company) in the Target Company as contemplated in the MOU
"PRC"	the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	Go Million Limited (高萬有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
"Second Vendor"	Creation Era Limited, a company incorporated in the British Virgin Islands with limited liability, which is interested in 15% of the issued share capital of the Target Company and an Independent Third Party
"Shareholder(s)"	holders of the issued Shares from time to time
"Share(s)"	share(s) of HK$0.01 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Hong Kong Automobile Restoration Group Limited which is a company incorporated in the British Virgin Islands with limited liability, the shares of which are wholly owned by the Vendors
"Target Group"	the Target Company and its subsidiaries
"Vendors"	collectively, the First Vendor and the Second Vendor
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
PPS International (Holdings) Limited
Fan Shek Cheong, Allan
Executive Director

Hong Kong, 20 October 2014

As at the date of this announcement, the Board comprises Mr. Fan Shek Cheong, Allan, Mr. Wong Yin Jun, Samuel, Mr. Wang Li, Mr. Zhang Chenglin and Mr. Cao Zhiwen as executive Directors; Mr. Woo Yik Man as non-executive Director; and Mr. Yu Tat Kong, Petrus, Mr. Lai Changming, Mr. Chan Chi Tong, Kenny and Mr. Lo Wing Sang as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rule for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcement" page of the internet website operated by the Stock Exchange for the purpose of the GEM at www.hkgem.com for at least seven days from the day of its posting and will be published on the website of the Company at www.hkpps.com.hk.