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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

CONTINUING CONNECTED TRANSACTION

The Board is pleased to announce that on 21 October 2014 (after trading hours), PPS, an indirect wholly-owned subsidiary of the Company, has entered into the Vessels Cleaning Service Contract with Niko, pursuant to which PPS agreed to outsource and engage Niko to provide certain vessels cleaning services for Customer X in Macau subject to the terms and conditions contained therein.

As at the date of this announcement, Niko is owned as to 60% by Mr. Fan and 40% by Ms. Fan Sheung Ting, Maria. Mr. Fan is the chairman and an executive Director and a substantial Shareholder and the father-in-law of Mr. Wong, an executive Director and a substantial Shareholder, and Ms. Fan Sheung Ting, Maria is a substantial Shareholder, daughter of Mr. Fan and lawful wife of Mr. Wong. Therefore, Niko is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the transaction contemplated under the Vessels Cleaning Service Contract and the transaction contemplated thereunder constitutes a continuing connected transaction of the Company.

As all percentage ratios (other than the profits ratio) under Rule 19.07 of the GEM Listing Rules in respect of the transaction contemplated under the Vessels Cleaning Service Contract are less than 25% and the annual cap for each period/year is less than HK$10,000,000, pursuant to Rule 20.74(2) of the GEM Listing Rules, the Vessels Cleaning Service Contract is subject to the reporting and announcement requirements but is exempt from circular (including independent financial advice) and the shareholders' approval requirements under the GEM Listing Rules.

VESSELS CLEANING SERVICE CONTRACT

The Board is pleased to announce that on 21 October 2014 (after trading hours), PPS, an indirect wholly-owned subsidiary of the Company, has entered into the Vessels Cleaning Service Contract with Niko, pursuant to which PPS agreed to outsource and engage Niko to provide certain vessels cleaning services for Customer X in Macau. The details of the Vessels Cleaning Service Contract are set out as follows:

Date

21 October 2014

Parties

(a) PPS; and

(b) Niko.

Subject Matter

PPS has agreed to outsource and engage Niko to provide certain vessels cleaning services in Macau for Customer X. Pursuant to the Vessels cleaning Service Contract, Niko is required to provide cleaning services to up to 27 Vessels ("**Route A Vessels**") operating between Hong Kong-Macau Ferry Terminal of Hong Kong and Outer Harbour Ferry Terminal of Macau ("**Route A**") and 7 vessels ("**Route B Vessels**") operating between China Ferry Terminal of Hong Kong and Outer Harbour Ferry Terminal of Macau ("**Route B**").

Term

For a term of two years commencing from 1 November 2014 to 31 October 2016. (both dates inclusive)

Consideration and Payment Term

Under the Vessels Cleaning Service Contract, the total cleaning services fees are HK$3,176,000, HK$4,764,000 and HK$1,588,000 for the period from 1 November 2014 to 30 June 2015, for the year ending 30 June 2016, and for the period from 1 July 2016 to 31 October 2016 respectively, among which the total cleaning services fees for Route A Vessels amounted to HK$2,672,000, HK$4,008,000 and HK$1,336,000, and for Route B Vessels amounted to HK$504,000, HK$756,000 and HK$252,000 respectively during the corresponding period.

The difference in the services fee between Route A Vessels and Route B Vessels is mainly attributable to the service scope, the manpower and the equipment required to perform the relevant cleaning service.

The total cleaning service fees will be adjusted in case of any change in the actual number of the vessels Niko is required to clean pursuant to the Vessels Cleaning Service Contract. Under the Vessels Cleaning Service Contract, if the total number of Route A Vessels increases to 28 or above, Niko will charge PPS an additional service fee of HK$5,080 per month per additional vessel. If the total number of Route A Vessels is reduced to 24 or less, PPS and Niko shall negotiate in good faith a new contract price for the provision of vessels cleaning services.

If the total number of Route B Vessels increases to 8 or above, Niko will charge PPS an additional service fee of HK$9,000 per month per additional vessel. If the total number of Route B Vessels is reduced to 6 or below, Niko shall reduce its charges by HK$9,000 per vessel.

Niko shall issue invoices for the vessels cleaning service fees of the previous month within the first ten (10) days of each month and PPS shall settle the invoices within 30 days of receipt. The cleaning service fees will be satisfied by the internal resources of PPS.

During the period from 1 November 2013 to 31 October 2014, PPS has engaged Niko to perform similar vessel cleaning service in Macau for Route B Vessels in an aggregate amount of HK$56,000 per month or in aggregation of HK$672,000 during the contract term, which was classified as a de minimis transaction and was fully exempted from announcement, circular and shareholders' approval requirement.

The cleaning service fees were determined by PPS and Niko after arm's length negotiations with reference to (i) the historical transaction amounts in relation to the vessels cleaning services between Customer X and Niko; (ii) the historical transaction amounts in relation to the vessels cleaning services between Customer X and PPS; (iii) the historical transaction amounts in relation to the vessels cleaning services between PPS and Niko; (iv) the scope of the vessels cleaning services; and (v) the prevailing growth in labour cost and other expected costs including material and equipment costs.

PROPOSED ANNUAL CAPS AND BASIS FOR DETERMINATION

The proposed annual caps for the Vessels Cleaning Service Contract are set out as follows:

	For the period from 1 November 2014 to 30 June 2015	**For the year ending 30 June 2016**	**For the period from 1 July 2016 to 31 October 2016**
Total annual caps for the Vessels Cleaning Service Contract	HK$3,500,000	HK$5,200,000	HK$1,800,000

The proposed annual caps for the Vessels Cleaning Service Contract are determined by the Directors with reference to the vessels cleaning services fees under the Vessels Cleaning Service Contract as discussed above and the potential adjustment in the total number of vessels to be served as indicated by Customer X.

REASONS FOR AND BENEFIT OF ENTERING INTO THE VESSELS CLEANING SERVICE CONTRACT

On 16 October 2014, PPS entered into a master vessels cleaning service contract (the "**Master Vessels Cleaning Service Contract**") with Customer X for the provision of vessels cleaning services in both Hong Kong and Macau for a contract term of two(2) years from 1 November 2014 to 31 October 2016. As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the ultimate beneficial owners of Customer X are third parties independent of the Company and its connected persons. The entering into of the Master Vessels Cleaning Service Contract is in the ordinary and usual course of business of the Company and will not constitute notifiable transaction as defined under Chapter 19 of the GEM Listing Rules.

Since PPS does not have any actual operation in Macau, and the Group intended to focus and allocate its resource in the expansion and operation in Hong Kong, the Directors believe that any scale of expansion in Macau may dilute the Group's resource which may adversely affect the Group's operation and business in Hong Kong. Furthermore, prior to the entering into of the Vessels Cleaning Service Contract, Niko has been providing vessels cleaning services to Customer X and PPS in Macau. As such, the Group decided to outsource the vessels cleaning services in Macau as required under the Vessels Cleaning Service Contract to Niko and entered into the Vessels Cleaning Service Contract. The entering into of the Vessels Cleaning Service Contract enables the Group to provide more comprehensive services in relation to the vessels cleaning services to Customer X.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Vessels Cleaning Service Contract and the transactions contemplated thereunder are on normal commercial terms and in the usual and ordinary course of business of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the Vessels Cleaning Service Contract are fair and reasonable and in the interests of the Company and the Shareholder as a whole.

GENERAL INFORMATION

The Group is one of the major comprehensive environmental service providers in Hong Kong and is principally engaged in providing a comprehensive range of cleaning and related services such as public area and office cleaning, overnight kitchen cleaning, waste management and disposal, external wall and window cleaning, stone floor maintenance and restoration, pest control and fumigation as well as housekeeping.

Niko is a company incorporated in Macau with limited liability and is principally engaged in the provision of cleaning services in Macau.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Niko is wholly owned as to 60% by Mr. Fan and 40% by Ms. Fan Sheung Ting, Maria. Mr. Fan is the chairman and an executive Director and a substantial Shareholder and the father-in-law of Mr. Wong, an executive Director and a substantial Shareholder, and Ms. Fan Sheung Ting, Maria is a substantial Shareholder, daughter of Mr. Fan and lawful wife of Mr. Wong. Therefore, Niko is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the transaction contemplated under the Vessels Cleaning Service Contract and the transaction contemplated thereunder constitutes a continuing connected transaction of the Company.

As all percentage ratios (other than the profits ratio) under Rule 19.07 of the GEM Listing Rules in respect of the transaction contemplated under the Vessels Cleaning Service Contract are less than 25% and the annual cap for each period/year is less than HK$10,000,000, pursuant to Rule 20.74(2) of the GEM Listing Rules, the Vessels Cleaning Service Contract is subject to the reporting and announcement requirements but is exempt from circular (including independent financial advice) and the shareholders' approval requirement under the GEM Listing Rules.

Mr. Fan, who, holds 60% interests in the total issued share capital of Niko and Mr. Wong, who is the son-in-law of Mr. Fan, have abstained from voting on the relevant Board resolution approving the Vessels Cleaning Service Contract. Save as disclosed above, none of the Directors has a material interest in the Vessels Cleaning Service Contract or is required to abstain from voting on such Board resolution.

DEFINITIONS

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

"Board"	the board of Directors
"Company"	PPS International (Holdings) Limited (寶聯控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Customer X"	a Company principally engaged in passenger vessel service between Hong Kong and Macau
"Director(s)"	the director(s) of the Company
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Macau"	the Macau Special Administrative Region of the PRC
"Mr. Fan"	Mr. Fan Shek Cheong, Allan (范石昌), the chairman, an executive Director and a substantial Shareholder and father-in-law of Mr. Wong. Mr. Fan, together with his spouse, hold 24.5% interests in the total issued share capital of the Company and 100% interests in the total issued share capital of Niko as at the date of this announcement.
"Mr. Wong"	Mr. Wong Yin Jun, Samuel (王賢浚), an executive Director and a substantial Shareholder and son-in-law of Mr. Fan. Mr. Wong, together with his spouse, Ms. Fan Sheung Ting, Maria, hold 17.5% interests in the total issued share capital of the Company as at the date of this announcement.
"Niko"	Niko Cleaning Services Limited (力高清潔服務有限公司), a company incorporated in Macau with limited liability and is owned as to 60% by Mr. Fan and 40% by Ms. Fan Sheung Ting, Maria, the daughter of Mr. Fan and lawful wife of Mr. Wong.

"notifiable transaction"	has the meaning ascribed to it under the GEM Listing Rules
"PPS"	Pollution & Protection Services Limited (寶聯環衛服務有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"PRC"	The People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the GEM Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the GEM Listing Rules
"Vessels Cleaning Service Contract"	a contract entered into between PPS and Niko on 21 October 2014 in respect of the vessels cleaning services to be provided by Niko for Customer X in Macau

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

Hong Kong, 21 October 2014

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