

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.



PPS International (Holdings) Limited

寶聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

SUBSCRIPTION OF UNLISTED WARRANTS

On 29 October 2014, the Company entered into the Subscription Agreement with the Subscribers in connection with the Subscription, pursuant to which the Subscribers agreed to subscribe for an aggregation of 200,000,000 Warrants conferring rights to subscribe for 200,000,000 Warrant Shares at the Exercise Price of HK\$1.66 per Warrant Share (subject to adjustment upon the occurrence of any of the Adjustment Events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants). Each Warrant carries the right to subscribe for one (1) Warrant Share.

The Warrants are to be subscribed at a Subscription Price of HK\$0.01 per Warrant. The Subscription is conditional upon several conditions as set out in the paragraph headed “Conditions of the Subscription” in the section headed “The Subscription Agreement” in this announcement.

The Warrant Shares issued upon exercise of the subscription rights attaching to the Warrants will be issued under the General Mandate.

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

THE SUBSCRIPTION AGREEMENT

Date

29 October 2014

Issuer

The Company

The Subscribers

The Warrants will be subscribed by eight individual Subscribers who are individual investors. As at the date of this announcement, four of the Subscribers were Shareholders holding an aggregation of approximately 1.7% of the issued share capital of the Company. Save for disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Number of Warrants

200,000,000 Warrants, to be issued by the Company at the Subscription Price, conferring the rights to the Subscribers to subscribe up to 200,000,000 Warrant Shares. The maximum nominal value of the Warrant Shares will be HK\$200,000.

Assuming there is no further issue or repurchase of the Shares from the date of this announcement up to the Completion Date, upon full exercise of the conversions rights attaching to the Warrants, an aggregate of up to 200,000,000 Warrant Shares will be issued, which represent approximately 20.0% of the existing issued share capital of the Company and approximately 16.7% of the issued share capital of the Company as enlarged by the issue of the Warrant Shares.

Subscription Price

The Subscription Price is HK\$0.01 per Warrant.

Exercise Price

The Exercise Price is HK\$1.66 per Warrant Share, subject to adjustment upon the occurrence of any of the Adjustment Events and other dilutive events which may have adverse effects on the rights of the holder of the Warrants.

The aggregate of the Subscription Price of HK\$0.01 per Warrant and the Exercise Price of HK\$1.66 per Warrant Share is HK\$1.67, which represents:

- (i) a discount of approximately 19.32% of the closing price of HK\$2.07 per Share quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 16.5% of the average of the closing prices of HK\$2.00 per Share for the last five trading days for the Shares prior to the Last Trading Day.

The Exercise Price of HK\$1.66 per Warrant Share represents:

- (i) a discount of approximately 19.8% of the closing price of HK\$2.07 per Share quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 17.0% of the average of the closing prices of HK\$2.00 per Share for the last five trading days for the Shares prior to the Last Trading Day.

Both the Subscription Price and the Exercise Price are determined based on negotiations on arm's length basis between the Company and the Subscriber with reference to the current market sentiment and the historical Share price. The Directors consider that both the Subscription Price and the Exercise Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Completion Date

Completion will take place on the Completion Date being on the third Business Day after the fulfillment of the conditions referred to in the section headed “Conditions of the Subscription” below.

Information of the Warrants

The Warrants will be issued to the Subscribers upon completion of the Subscription in registered form and constituted by a deed poll. The Warrants will rank pari passu in all respects among themselves. Definitive certificates will be issued to the Subscribers.

Each Warrant carries the right to subscribe for one (1) Warrant Share at the Exercise Price and is issued at the Subscription Price.

The subscription rights attaching to the Warrants may be exercised at any time during a period of 12 months commencing from the date immediately after three months from the date of the Subscription Agreement (both dates inclusive). The Warrant Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Shares of the Company.

Transferability

The Warrants are transferable in integral multiples of 3,000,000 Warrants. In the event of a transfer of the Warrants to a connected person (as defined in the GEM Listing Rules) of the Company, prior approval from the Company and the Stock Exchange will be obtained. The Company undertakes to comply with the relevant GEM Listing Rules and to make necessary announcement(s), where appropriate, if and when any holder(s) of the warrants make any transfer of the warrants to other parties requiring disclosure.

Conditions of the Subscription

Completion of the Subscription Agreement is conditional on, among the other matters, the fulfillment of the following conditions on or before 5:00 p.m. on 20 November 2014 (or such later time and date as the Subscribers and the Company shall agree in writing):

- (a) the GEM Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscribers shall reasonably object) the listing of, and permission to deal in, the Warrant Shares which fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants; and
- (b) all necessary consents and approvals to be obtained on the part of each of the Subscriber and the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained.

In the event that the above conditions are not fulfilled by 5:00 p.m. on 20 November 2014 or such later date as may be agreed between the Company and the Subscribers, the Subscription Agreement will lapse and become null and void and the parties to the Subscription Agreement shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

Voting rights for the holders of the Warrants

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Rights of the holders of the Warrants on the liquidation of the Company

If the Company is wound up during the subscription period of the Warrants, all subscription rights attaching to the Warrants which have not been exercised shall lapse, save for in the event of a voluntary winding-up, the holders of the Warrants shall be entitled within six weeks after the passing of such a resolution approving the winding-up to exercise the subscription rights attaching to the Warrants in accordance with the terms and conditions of the Warrants.

General Mandate to issue the Warrant Shares

The issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants is not subject to Shareholder's approval.

The Warrant Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 31 October 2013 subject to the limit of 200,000,000 new Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date and adjusted for the effect of share subdivision effected on 23 December 2013). The allotment and issue of 200,000,000 Warrant Shares upon full exercise of the subscription rights attaching to the Warrants, will utilise about 100.0% of the General Mandate.

As at the date of this announcement, save for the proposed issue of the Warrant Shares upon exercise of the subscription rights attaching to the Warrants, the Company has not utilised the General Mandate. As the Warrant Shares will be allotted and issued under the General Mandate, no Shareholders' approval is required.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

REASONS FOR THE SUBSCRIPTION

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.

The Board considers that the Warrants are not interest bearing and the Subscription will not result in any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that will be raised upon completion of the Subscription, further capital will be raised upon the exercise of the subscription rights attaching to the Warrants by the holder of such Warrants during the subscription period.

The Directors are of the view that the Subscription provides a good opportunity to strengthen the Company's financial position and in the event the Subscriber fully exercise his subscription rights attaching to the Warrants, funds to be received may cater for future needs for its general working capital.

In view of the above, the Board considers that the terms of the Subscription are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

It is expected the gross proceeds of approximately HK\$2.0 million will be raised by the Subscription and the net proceeds of approximately HK\$1.75 million (with a net issue price of approximately HK\$0.009 per Warrant) will be raised by the Subscription and the same will be utilised by the Group as general working capital of the Group and as funds for the potential acquisition of the majority interests in a motor vehicles beauty services as announced by the Company on 20 October 2014 if necessary.

Assuming full exercise of the subscription rights attaching to the Warrants, it is expected that an additional gross proceeds of approximately HK\$332.0 million will be raised. The aggregate net proceeds of approximately HK\$331.97 million (with a net subscription price of approximately HK\$1.66 per Warrant Share) are intended to be used for general working capital of the Group and as funds for future development of the Group when investment opportunities arise.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Warrant Shares to be issued upon the exercise of all Warrants, when aggregated with all other equity securities which remain to be issued on exercise of all other subscription rights, will not exceed 20% of the issued share capital of the Company.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted an equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement up to the Completion Date, the changes of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the Subscription and upon exercise of the subscription rights attaching to the Warrants in full are as follows:

Shareholders	At the date of this announcement		Immediately after completion of the Subscription and upon exercise of the subscription rights attaching to the Warrants in full	
	Number of Shares	Approximate %	No. of Shares	Approximate %
Viva Future Group Limited (“Viva”) (Note 1)	245,000,000	24.5	245,000,000	20.4
Renowned Ventures Limited (“RVL”) (Note 2)	175,000,000	17.5	175,000,000	14.6
Gao Lili (“Ms. Gao”) (Note 3)	130,000,000	13.0	130,000,000	10.8
Subscribers	–	–	200,000,000	16.7
Other public Shareholders	450,000,000	45.0	450,000,000	37.5
	<u>1,000,000,000</u>	<u>100.0</u>	<u>1,200,000,000</u>	<u>100.0</u>

Notes:

- Viva is 100% wholly owned by Mr. Fan Shek Cheong, Allan (“Mr. Fan”), the Chairman of the Company and an executive Director. Ms. Chong Suk To Ida (“Ms. Chong”) is the spouse of Mr. Fan. Mr. Fan and Ms. Chong were deemed to be interested in 24.5% interests in the share capital of the Company under the Securities and Futures Ordinance (“SFO”);
- RVL is 100% owned by Ms. Fan Sheung Ting, Maria (“Ms. Fan”). Mr. Wong Yin Jun, Samuel (“Mr. Wong”), an executive Director, is the spouse of Ms. Fan. Ms. Fan and Mr. Wong were deemed to be interested in 17.5% interests of the Company under the SFO; and
- Mr. Zhao Han (“Mr. Zhao”) is the spouse of Ms. Gao. Mr. Zhao and Ms. Gao were deemed to be interested in 13.0% interests in the share capital of the Company under the SFO.

DEFINITIONS

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

- “Adjustment Events”** (1) alteration to the nominal amount of each of the Shares by reason of any subdivision or consolidation of Shares; or (2) issue of Shares by way of capitalization of profit or reserves; or (3) capital distribution to all Shareholders or grant to Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries; or (4) offer to the Shareholders new Shares for subscription by way of rights; or grant of any options or warrants to all Shareholders to subscribe for new Shares, at a price which is less than 80% per cent (5) issue for cash any securities which are convertible into or exchangeable for or carry rights of subscription for new Shares; or (6) issue for cash any Shares at a price which is less than 80% of the market price; or (7) the repurchase of any Shares or securities convertible into Shares or any rights to acquire Shares by the Company
- “Board”** the board of Directors
- “Business Day”** any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
- “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 GEM
- “Completion Date”** the third Business Day following the date on which the conditions precedent set out in the Subscription Agreement are fulfilled
- “Director(s)”** director(s) of the Company
- “Exercise Price”** an initial exercise price of HK\$1.66 per Warrant Share (subject to adjustment) at which holder of the Warrants may subscribe for the Warrant Share(s)
- “GEM”** the Growth Enterprise Market of the Stock Exchange
- “GEM Listing Rules”** the Rules Governing the Listing of Securities on GEM
- “General Mandate”** the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 31 October 2013, pursuant to which a maximum of 200,000,000 new Shares may fall to be allotted and issued as at the date of this announcement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	a separate instrument to be executed by the Company by way of a deed poll containing terms of the Warrants, including the adjustment mechanisms of the initial exercise price for Warrant Shares
“Last Trading Day”	29 October 2014, being the last trading day for the Shares before the issue of this announcement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary issued share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	eight individual subscribers who are individual investors. As at the date of this announcement, four of the Subscribers were Shareholders holding an aggregation of approximately 1.7% of the issued share capital of the Company. Save for disclosed above, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Subscription”	the subscription of 200,000,000 Warrants pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 29 October 2014 and entered into between the Company and the Subscribers in relation to the Subscription
“Subscription Price”	HK\$0.01, being the issue price per Warrant payable in full on application under the Subscription Agreement
“Warrant(s)”	200,000,000 unlisted warrants to be issued by the Company at the Subscription Price, each entitles the holder thereof to subscribe for one Warrant Share at the Exercise Price (subject to adjustment) at any time during a period of twelve (12) months commencing from the date immediately after three months from the date of the Subscription Agreement (both dates inclusive)

“Warrant Shares”	200,000,000 new Shares to be allotted and issued upon exercise of the subscription rights attaching to the Warrants
“HK\$ and cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 29 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.