PPS INTERNATIONAL (HOLDINGS) LIMITED
寶聯控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8201)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of PPS International (Holdings) Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months and the nine months ended 31 March 2015, together with the unaudited comparative figures for the corresponding periods in 2014, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and the nine months ended 31 March 2015

	Notes	**Nine months ended 31 March**		**Three months ended 31 March**	
		2015	2014	**2015**	2014
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	*3*	**150,595**	145,545	**53,751**	46,610
Cost of services		**(130,872)**	(123,964)	**(48,406)**	(39,229)
Gross profit		**19,723**	21,581	**5,345**	7,381
Other income and gains	*4*	**935**	2,132	**110**	294
Selling and marketing expenses		**(772)**	(638)	**(395)**	(149)
Administrative and other operating expenses		**(22,016)**	(10,706)	**(10,995)**	(3,949)
(Loss)/profit from operations		**(2,130)**	12,369	**(5,935)**	3,577
Finance costs		**(378)**	(459)	**(222)**	(127)
(Loss)/profit before taxation	*5*	**(2,508)**	11,910	**(6,157)**	3,450
Income tax expenses	*6*	**(1,683)**	(2,138)	**(229)**	(505)
(Loss)/profit and total comprehensive income for the period attributable to owners of the Company		**(4,191)**	9,772	**(6,386)**	2,945
			Restated		Restated
(Loss)/earnings per share	*8*				
– Basic (HK cent)		**(0.042)**	0.098	**(0.064)**	0.029
– Diluted (HK cent)		**(0.042)**	0.098	**(0.064)**	0.029

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three months and the nine months ended 31 March 2015

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 31 May 2012. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is located at Unit No. 503C, Block B, Sea View Estate, 2-8 Watson Road, North Point, Hong Kong.

The Company had its primary listing on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 June 2013. The Company's principal activity is investment holding and the principal activity of its principal subsidiaries is the provision of environmental cleaning services.

2. BASIS OF PREPARATION

The unaudited condensed consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the GEM Listing Rules. The principal accounting policies used in the third quarterly unaudited condensed consolidated results are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 30 June 2014.

The HKICPA has issued a number of new and revised HKFRSs. For those which are relevant to the Group's operations and effective for its accounting period beginning on 1 July 2014, the adoption has no significant changes on the Group's accounting policies, the presentation, the reported results and the financial position of the Group for the current or prior accounting periods.

The Group has not applied the new and revised HKFRSs which have been issued but are not yet effective. The Group is currently in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether they would have a material impact on the Group's results and financial position.

The unaudited condensed consolidated results have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

3. REVENUE

	Nine months ended 31 March		**Three months ended 31 March**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Environmental services income	**150,595**	145,545	**53,751**	46,610

4. OTHER INCOME AND GAINS

	Nine months ended 31 March		Three months ended 31 March	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Other income:				
Interest income	**40**	89	**9**	13
Sundry income	**337**	3	**101**	1
Reversal of provision for long service payment	**470**	–	**–**	–
Reversal of provision for staff allowances and bonus	**–**	1,808	**–**	280
	847	1,900	**110**	294
Other gains:				
Gains on disposal of property, plant and equipment	**88**	232	**–**	–
	88	232	**–**	–
	935	2,132	**110**	294

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging:

	Nine months ended 31 March		Three months ended 31 March	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Depreciation of property, plant and equipment	**3,800**	3,837	**1,231**	1,323
Cost of consumable goods	**6,322**	1,523	**5,160**	620
Forfeiture of the deposit of the possible acquisition *(Note)*	**4,500**	–	**4,500**	–
Staff costs including Directors' emoluments:				
Salaries and wages	**82,000**	69,175	**30,941**	22,040
Long service payment	**39**	30	**31**	8
Allowances and others	**227**	423	**184**	355
Contributions to defined contribution retirement plans	**3,159**	2,799	**1,178**	990
	85,425	72,427	**32,334**	23,393
Minimum lease payments under operating leases	**1,721**	1,693	**575**	571

Note:

On 20 October 2014, Go Million Limited ("Go Million"), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the "MOU") with Lofty East Limited (the "First Vendor") and Creation Era Limited (the "Second Vendor") (collectively referred to as the "Vendors") for the possible acquisition (the "Possible Acquisition") of not less than 51% of the issued share capital of Hong Kong Automobile Restoration Group Limited (the "Target Company"), under which a deposit of HK$4,500,000 was paid by Go Million to the Vendors. The Target Company, through its subsidiaries, is principally engaged in motor vehicles beauty services including cars detailing, repairing and maintenance services in Hong Kong, Macau and Taiwan.

The deposit is unsecured, interest free and refundable in the event that no formal sale and purchase agreement is entered into between Go Million and the Vendors solely due to the fault of the First Vendor.

On 9 January 2015, Go Million and the Vendors entered into a deed of termination pursuant to which Go Million and the Vendors agree that (i) the MOU is terminated with effect from 9 January 2015; (ii) neither Go Million nor the Vendors will have any obligation to each other for not proceeding with the Possible Acquisition; and (iii) the deposit of HK$4,500,000 shall not be refunded to Go Million from the Vendors.

The deposit of HK$4,500,000 was charged to the profit or loss during the three months and nine months ended 31 March 2015.

6. INCOME TAX EXPENSES

	Nine months ended 31 March		**Three months ended 31 March**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax – Hong Kong Profits Tax				
Provision for the period	**1,959**	1,745	**313**	505
Over-provision for prior years	**(47)**	–	**(10)**	–
Deferred tax (credit)/charge	**(229)**	393	**(74)**	–
Income tax expenses	**1,683**	2,138	**229**	505

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit.

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 31 March 2015. A final dividend of HK 2 cents per share for the year ended 30 June 2013, amounted to HK$2,000,000, was declared by the Board and paid to the Company's shareholders during the nine months ended 31 March 2014.

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	Nine months ended 31 March		**Three months ended 31 March**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
(Loss)/earnings				
(Loss)/profit for the period attributable to owners of the Company for the purposes of basic (loss)/earnings per share and diluted (loss)/earnings per share	**(4,191)**	9,772	**(6,386)**	2,945
	000	*000*	***000***	*000*
		(Restated)		(Restated)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	**10,000,000**	10,000,000	**10,000,000**	10,000,000

The weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share has been adjusted for the share subdivisions made on 23 December 2013 and 17 November 2014.

The outstanding warrants are not included in the calculation of the diluted loss per share as they have anti-dilutive effect on the basic loss per share for the three months and nine months ended 31 March 2015.

There were no dilutive potential ordinary shares in existence during the three months and the nine months ended 31 March 2014 and therefore the diluted earnings per share are the same as the basic earnings per share.

9. UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Other reserve**	**Contribution surplus**	**Warrant reserve**	**Retained earnings**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000* *(Note a)*	*HK$'000* *(Note b)*	*HK$'000* *(Note c)*	*HK$'000*	*HK$'000*
As at 1 July 2014	**1,000**	**22,360**	**1,000**	**21,400**	**–**	**18,707**	**64,467**
Loss and total comprehensive income for the period	–	–	–	–	–	**(4,191)**	**(4,191)**
Issue of warrants	–	–	–	–	**40,000**	–	**40,000**
Transaction costs for issue of warrants	–	–	–	–	**(500)**	–	**(500)**
As at 31 March 2015 (unaudited)	**1,000**	**22,360**	**1,000**	**21,400**	**39,500**	**14,516**	**99,776**
As at 1 July 2013	1,000	24,360	1,000	21,400	–	5,613	53,373
Profit and total comprehensive income for the period	–	–	–	–	–	9,772	9,772
Dividend for paid the year ended 30 June 2013 *(Note 7)*	–	(2,000)	–	–	–	–	(2,000)
As at 31 March 2014 (unaudited)	1,000	22,360	1,000	21,400	–	15,385	61,145

Notes:

a. The amount represented the difference between the nominal amount of shares issued by the Company and the aggregate amount of share capital of subsidiaries acquired under common control pursuant to the reorganisation. In preparation of the listing of the Company's shares on the GEM of The Stock Exchange on 17 June 2013.

b. The amount represented the amounts due to shareholders capitalised before the listing of the Company's shares on the GEM of the Stock Exchange.

c. The amount represented the net proceeds received from the issue of unlisted warrants of the Company. This reserve will be transferred to the share capital and the share premium account upon exercise of the unlisted warrants, where the unlisted warrants remain unexercised at the expiry date, the amount recognised in the warrant reserve will be released to the retained earnings.

10. CAPITAL COMMITMENTS

a. As at 31 March 2015, the Group's capital commitment for the acquisition of intangible assets, which were contracted for but not provided for in the financial statements, amounted to HK$500,000.

b. On 17 February 2015, the Group's two wholly-owned subsidiaries, China Chi Lik Limited ("China Chi Lik") and China Manufacturer Gate Limited ("China Manufacturer Gate"), established a limited partnership, 珠海市橫琴新區寶聯股權投資企業(有限合夥) (Zhuhai Hengqin New District PPS Investment Holding Enterprise (Limited Partnership) ("PPS Investment Holding Enterprise")), in the People's Republic of China with registered capital of RMB10,000,000. Pursuant to the partnership agreement of PPS Investment Holding Enterprise, each of China Chi Lik and China Manufacturer Gate is required to contribute RMB5,000,000 of capital to PPS Investment Holding Enterprise before 29 February 2020.

   As at 31 March 2015, neither China Chi Lik nor China Manufacturer Gate has contributed any capital to PPS Investment Holding Enterprise.

   Note: The English translation of the limited partnership name is for reference only. The official name of the limited partnership is in Chinese.

11. EVENT AFTER THE REPORTING PERIOD

On 10 March 2015, Go Million Limited ("Go Million"), a wholly owned subsidiary of the Company, entered into an agreement for sale and purchase (the "Acquisition Agreement") with Ms. Shek Shuk Wah, Abby (the "Vendor"), pursuant to which, among other things, Go Million conditionally agrees to acquire and the Vendor conditionally agrees to sell the entire issued share capital of Elite Car Services Limited (the "Target Company") and all liabilities, loans or obligations owning by the Target Company and its subsidiaries to the Vendor at the date of completion of the Acquisition at a cash consideration of HK$5,000,000 (the "Acquisition"). The Target Company, through its subsidiaries, is principally engaged in motor vehicle beauty services, including car detailing services, in Hong Kong.

On 1 April 2015, all conditions precedent under the Acquisition Agreement were fulfilled and the Target Company became a wholly-owned subsidiary of the Company. Details of the transaction are set out in the announcement of the Company dated 10 March 2015.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period presentation. The changes included the reclassification of reversals of provision for long service payment, untaken paid leave, severance payment and staff allowance and bonus previously classified under cost of services to other income. The new classification of the accounting items was considered to provide a more appropriate presentation of the Group's results.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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; (ix) sanitation solution for yacht; and (x) cleaning and waste management solution for renovated apartment.

BUSINESS REVIEW

Compared to the nine months ended 31 March 2014, the Group's revenue increased by approximately 3.5% mainly due to regular price increment for our tenanted services contracts and successful bid of a services contract for one of the largest airline carriers in Hong Kong of which the services scope includes restocking bathroom and seat amenities, and disposal of waste from seats and cabin. The Group expects that this new services contract will contribute more revenue to the Group in the fourth quarter of 2015.

The Group has taken a more proactive approach to gain additional market share in the environmental and cleaning services industry. We have increased our contracting and operational staff with a view to further enhancing our tendering capabilities for the government related contracts which the Group had less exposure in the past. Due to relative large contract size of the government projects, we believe it is in the best interest of the Group to expand into this sector.

OUTLOOK

Environmental services

The Group is successful in securing three new major environmental services contracts which will be commenced in the fourth quarter of 2015. These three new services contracts will further diversify our existing environmental services portfolio into different environmental services segments: (i) a commercial services contract for one of the largest commercial complex; (ii) a residential services contract for public housing environmental services; and (iii) a public transport facilities service contract.

Labor market competition is expected to further intensify with the upward adjustment of Statutory Minimum Wage ("SMW") in Hong Kong effective from May 2015. Based on the Group's experience, the upward adjustment of SMW will lead to higher labor turnover rate in the environmental services industry as more labor tend to work in other less laborious industries such as the security guard service industry. The Group is closely monitoring the labor turnover rate and regularly reviews our remuneration package in order to maintain sufficient labor force.

Acquisition of a new business

On 1 April 2015, the Group completed the acquisition of the entire issued share capital of Elite Car Services Limited (the "Acquisition"). Elite Car Services Limited, through its subsidiaries, is principally engaged in motor vehicle beauty services, including car detailing services, under its own brand name "Champion Auto Club" in Hong Kong. As one of the conditions of the Acquisition, the Vendor and two senior management personnel employed by Elite Car Services Limited prior to the Acquisition have agreed to act as the consultants of Elite Car Services Limited (the "Consultants") for a term of 2 years commencing from 1 April 2015. The board is confident that the Acquisition with the Consultants' extensive experience in the motor vehicle beauty services industry enables the Group to diversify its business portfolio into a new section and introduce a new revenue stream of the Group. Details of the Acquisition are set out in the Company's announcement dated 10 March 2015.

Plans for potential expansions in the PRC

As mentioned in the Company's announcement dated 12 January 2015, in view of a great potential market in the PRC, the Group intends to diversify the income stream of the Group by expanding its existing environmental and cleaning services and engaging in supply chain management and trading business in related areas in the PRC. In February 2015, the Group's two wholly owned subsidiaries have jointly set up a limited partnership with registered capital of RMB$10,000,000 (the "Partnership") in the PRC to pursue potential acquisitions of abovementioned businesses in the PRC. As of the date of this announcement, the Partnership did not acquire any abovementioned businesses in the PRC. The Group is still striving to seek potential acquisitions and strategic partners that will have a capability and experience to make a valuable contribution to the development of the abovementioned businesses in the PRC.

FINANCIAL REVIEW

Revenue

During the nine months ended 31 March 2015, the Group reported a revenue of approximately HK$150.6 million (nine months ended 31 March 2014: approximately HK$145.5 million), representing an increase of approximately 3.5% mainly due to regular price increment for our tenanted services contracts and successful bid of a services contract for one of the largest airline carriers in Hong Kong of which the services scope includes restocking bathroom and seat amenities, and disposal of waste from seats and cabin.

Gross Profit

The gross profit of the Group for the nine months ended 31 March 2015 decreased by approximately 8.8% to approximately HK$19.7 million (nine months ended 31 March 2014: approximately HK$21.6 million), representing a gross profit margin of approximately 13.1% (nine months ended 31 March 2014: approximately 14.8%). The decrease in the gross profit margin by approximately 1.7% was mainly due to inflation in the direct labour costs.

Profit attributable to owners of the Company

The Group incurred a net loss of approximately HK$4.2 million for the nine months ended 31 March 2015 as compared to the net profit of approximately HK$9.8 million for the same period in 2014. The deterioration from net profit for the nine months ended 31 March 2014 to net loss for the corresponding period in 2015 was primarily attributable to (i) the decrease in gross profit of the Group by approximately HK$1.8 million primarily as a result of the inflation in the direct labor costs; (ii) one-off forfeiture of a deposit of HK$4.5 million paid for the possible acquisition of Hong Kong Automobile Restoration Group Limited which was terminated on 9 January 2015 as announced by the Company on the same date; (iii) decrease in reversal of provisions for staff costs by approximately HK$1.4 million; and (iv) increase in professional fees by approximately HK$5.4 million mainly incurred as a results of the potential expansion of the Group's businesses and initial set-up costs for the Group's subsidiaries in the People's Republic of China.

USE OF PROCEEDS

The Company was listed on the Stock Exchange on 17 June 2013 and raised net proceeds of approximately HK$15.2 million. The future plans as stated in the Prospectus were derived from the Group's reasonable estimation of the future market conditions based on the information available at the time of preparing the Prospectus. As of the date of this announcement, we have utilized HK$11.0 million to expand waste management and disposal team. As at 31 March 2015, the unused proceeds were deposited in licensed banks in Hong Kong.

DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 March 2015.

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

Executive Directors

Mr. Wang Li *(Chairman)*	–	appointed on 26 September 2014 for a director fee of HK$360,000 per annum
	–	resigned on 14 February 2015
Mr. Cao Zhiwen *(Vice-Chairman)*	–	appointed on 7 August 2014 for a director fee of HK$600,000 per annum
Mr. Zhang Chenglin	–	appointed on 26 September 2014 for a director fee of HK$360,000 per annum
Mr. Fan Shek Cheong, AIIan	–	resigned on 2 December 2014
Mr. Wong Yin Jun, Samuel	–	retired on 30 October 2014
Ms. Hung Sui Hing, Lilian	–	resigned on 26 September 2014

Non-executive Directors

Ms. Fan Sheung Ting, Maria	–	resigned on 26 September 2014
Mr. Woo Yik Man	–	retired on 30 October 2014

Independent Non-Executive Directors

Mr. Lai Changming	– appointed on 26 September 2014 for a director fee of HK$120,000 per annum
Mr. Chan Chi Tong, Kenny	– appointed on 26 September 2014 for a director fee of HK$120,000 per annum
Mr. Chen Kwok Wang	– appointed on 19 November 2014 for a director fee of HK$150,000 per annum
Mr. Yu Tat Kong, Petrus	– retired on 30 October 2014
Mr. Ho King Man, Kenneth, *JP*	– resigned on 26 September 2014
Mr. Tong Kin Ping, Patrick	– resigned on 26 September 2014
Mr. Lo Wing Sang	– resigned on 19 November 2014

All newly appointed executive directors and independent non-executive directors are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the by-laws of the Company.

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2015, none of the Directors and the chief executive and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within of the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 31 March 2015, no person other than certain Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Name of Shareholder	Name of the company in which interest is held	Capacity	Total number of ordinary shares	Long/short position	Percentage of total issued share capital in the Company
Mr. Zhao Han	The Company	Beneficial owner *(Note 1)*	1,200,000,000	Long	12.00%
China New Energy Power Group Limited	The Company	Interest in controlled corporation *(Note 2)*	490,000,000	Long	4.90%
	The Company	Interest in controlled corporation *(Note 2)*	211,000,000	Long	2.11%
Ace Resources Investment Limited	The Company	Beneficial owner *(Note 3)*	700,000,000	Long	7.00%

Notes:

1. Ms. Gao Lili is the spouse of Mr. Zhao Han, Ms. Gao Lili is deemed to be interested in 12% interests in the share capital of the Company under the SFO.

2. China New Energy Power Limited directly holds 100% interest in Source Peak Limited. China New Energy Power Limited is deemed to be interested in 4.90% interests in the share capital of the Company which are beneficially owned by Source Peak Limited under SFO.

   China New Energy Power Limited indirectly holds 100% interest in Legito Company Limited. China New Energy Power Limited is deemed to be interested in 2.11% interests in the share capital of the Company which are beneficially owned by Legito Company Limited under SFO.

3. Ace Resources Investment Limited is 100% owned by Mr. Suen Cho Hung, Paul ("Mr. Suen"), Mr. Suen is deemed to be interested in 7.00% interests in the share capital of the Company under the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the reporting period, none of the Directors and their respective associates including spouses and children under 18 years of age was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right.

COMPLIANCE ADVISER'S INTEREST IN THE COMPANY

As at 31 March 2015, as notified by the Company's compliance adviser, Cinda International Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 6 June 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the nine months ended 31 March 2015.

COMPETING INTERESTS

During the reporting period and up to date of this announcement, none of the Directors, controlling shareholders and their respective associates as defined under the GEM Listing Rules is interested in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

SHARE OPTION SCHEME

The share option scheme was adopted and approved by shareholders of the Company on 28 May 2013 and shall be valid and effective for a period of ten years commencing from the date of adoption. No share options have been granted pursuant to the share option scheme since its adoption.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of the shareholders.

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 15 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with the Code for the nine months ended 31 March 2015, except for the deviation of Code Provisions as follow:

1. Under the Code Provision A.2.1, the roles of chairman and managing director should be separated and should not be performed by the same individual. During the reporting period, the roles of chairman and managing director of the Company were performed by the same executive Director. The Company considered that the combination of the roles of chairman and managing director could effectively formulate and implement the strategies of the Company. The Company considered that under the supervision of its Board and its independent non-executive Directors, a balancing mechanism existed so that the interests of the shareholders were adequately and fairly represented. The Company considered that there was no imminent need to change the arrangement.

2. A.4.1 of the Code stipulates that all non-executive director should be appointed for a specific term, subject to re-election. Currently, all non-executive directors are not appointed for a specific term. They are, however, subject to the retirement by rotation and re-election of directors in the Bye-laws of the Company. Since their appointment will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

REVIEW BY THE AUDIT COMMITTEE

The audit committee consists of three members, namely Mr. Chen Kwok Wang (chairman of the audit committee), Mr. Lai Changming and Mr. Chen Chi Tong, Kenny, all being independent non-executive Directors.

The audit committee has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above unaudited condensed consolidated results of the Group for the nine months ended 31 March 2015; and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
PPS International (Holdings) Limited
Cao Zhiwen
Executive Director

HKSAR, 12 May 2015

As at the date of this announcement, the board of directors of the Company comprises (i) Mr. Cao Zhiwen and Mr. Zhang Chenglin as executive directors; and (ii) Mr. Lai Changming, Mr. Chan Chi Tong, Kenny and Mr. Chen Kwok Wang as independent nonexecutive directors.

This announcement will remain on the "Latest Company Announcements" 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.