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PPS International (Holdings) Limited

寶聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

**VOLUNTARY ANNOUNCEMENT
INVESTMENT IN A JOINT VENTURE**

This announcement is made by PPS International (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Board is pleased to announce that on 7 March 2016 (after trading hours of the Stock Exchange), the Purchaser entered into the Equity Transfer Agreement with Vendor A and Vendor B, pursuant to which the Purchaser has agreed to acquire from Vendor A and Vendor B and Vendor A and Vendor B have agreed to sell 21% and 30% equity interest in the Target Company respectively at a total consideration of RMB2.5 million, which will be settled in cash within one month from the date of the Completion. Upon the Completion, the Target Company will become a sino-foreign joint venture.

As at the date of this announcement, the Target Company is owned as to 70% by Vendor A and 30% by Vendor B. Upon the Completion, the Target Company will be owned as to 51% by the Purchaser and 49% by Vendor A.

On the same date (after trading hours of the Stock Exchange), the Purchaser and Vendor A entered into the Capital Injection Agreement, pursuant to which, subject to the Completion, the Purchaser and Vendor A have agreed to increase the registered capital of the Target Company from RMB1 million to RMB10 million. The Purchaser and Vendor A shall make further capital injection of RMB4.59 million and RMB4.41 million respectively to the Target Company in proportional to their then respective shareholding in the Target Company, which will be settled in cash.

On the same date (after trading hours of the Stock Exchange), the Purchaser and Vendor A entered into the Shareholders Agreement to regulate the rights amongst the Purchaser and Vendor A in the Target Company.

The major terms of the Shareholders Agreement are summarized as follows:

Profit sharing: the profit of the Target Company shall be shared amongst the Purchaser and Vendor A in proportional to their then shareholding in the Target Company.

Right of first refusal: in the event that the Purchaser or Vendor A proposes to sell its entire or partial equity interest in the Target Company, the consent from the other party shall be obtained and the other party shall have the right of first refusal over such equity interest at terms and conditions not less favorable than to the third party.

Non-competing: without the written consent from the Purchaser, Vendor A or any directors assigned by Vendor A to the Target Company shall not operate, or participate in operating, or cooperate with other parties to operate, any business that will complete with the business of the Target Company.

Board composition: the board of the Target Company will consist of six directors, of which four directors to be nominated by the Purchaser and two directors to be nominated by Vendor A. The chairman shall be appointed by the Purchaser and the vice chairman shall be appointed by Vendor A.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Vendors is third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

INFORMATION ON THE TARGET COMPANY

The Target Company is principally engaged in the provision of cleaning and environmental services, property management and sale of machinery in Shanghai, PRC.

REASONS FOR AND BENEFITS OF THE INVESTMENT IN THE TARGET COMPANY

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 its operations; (vii) housekeeping services where it 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.

The Board considers that the Acquisition would enable the Group to expand its geographical coverage from Hong Kong into the PRC and to enhance its portfolio in cleaning and environmental services segment, and the Capital Injection would enable the Target Company to cater for the funding needs for its future development and business growth.

The Directors consider that the terms of the Equity Transfer Agreement, the Capital Injection Agreement, the Shareholders Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

As all the applicable percentage ratios in respect of the Acquisition and the Capital Injection are below 5%, these transactions are exempted from the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 21% and 30% equity interest in the Target Company from Vendor A and Vendor B respectively in accordance with the terms and conditions of the Equity Transfer Agreement
“associates”	having the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of the Directors
“Capital Injection”	the capital injection to increase the registered capital of the Target Company from RMB1 million to RMB10 million in accordance with the terms and conditions of the Capital Injection Agreement
“Capital Injection Agreement”	the capital injection agreement dated 7 March 2016 entered into between the Purchaser and Vendor A in relation to the Capital Injection
“Company”	PPS International (Holdings) Limited, a company incorporated in Caymans Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Director(s)”	the directors of the Company

“Equity Transfer Agreement”	the equity transfer agreement dated 7 March 2016 entered into between the Purchaser and the Vendors in relation to the 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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”	PPS Environmental Services Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.0001 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shareholders Agreement”	the shareholders’ agreement dated 7 March 2016 entered into between the Purchaser and Vendor A to regulate their respective rights in the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Sheng Mao Cleaning Services Company Limited* (上海盛懋保潔服務有限公司), a limited company established under the laws of the PRC
“Vendor A”	Mr. Lu Yi* (路懿), being a existing shareholder of the Target Company as at date of this announcement

“Vendor B” Ms. Yan Huling* (顏滙玲), being a existing shareholder of the Target Company as at the date of this announcement

“Vendors” collectively, Vendor A and Vendor B

By order of the Board
PPS International (Holdings) Limited
Chan Wai Kit
Chairman and Executive Director

Hong Kong, 7 March 2016

As at the date of this announcement, the Board comprises four executive Directors, Mr. Chan Wai Kit, Ms. Wang Jun, Ms. Wong Chi Yan and Mr. Zhang Xiaozheng, two non-executive Directors, Ms. Li Qingchen and Mr. Xu Xiaoping, and three independent non-executive Directors, Mr. Chow Chun Hin, Leslie, Mr. Chui Chi Yun, Robert and Mr. Huang Ke.

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 page of “Latest Company Announcements” on the GEM website for at least 7 days from the date of its posting and the website of the Company at www.hkpps.com.hk.

* For identification purposes only