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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)**

**MAJOR TRANSACTION IN RELATION TO  
THE ACQUISITION OF 40% EQUITY INTEREST IN  
CHINA EASTERN CLEAN ENERGY CORPORATION  
INVOLVING THE ISSUE OF CONSIDERATION SHARES  
UNDER SPECIFIC MANDATE**

**THE ACQUISITION**

Reference is made to the announcement of the Company dated 2 March 2016 in relation to the proposed acquisition of a renewable energy technology development in the PRC.

The Board is pleased to announce that on 8 June 2016 (after trading hours of the Stock Exchange), the Purchaser, the Vendor and the Guarantors entered into the Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, which represent 40% equity interest in the Target Company. The Consideration payable by the Purchaser to the Vendor pursuant to the Acquisition Agreement is HK\$81 million and will be payable as to (i) HK\$5 million in cash within 5 Business Days from the date of the Acquisition Agreement; (ii) HK\$51 million by procuring the Company to allot and issue 510,000,000 Consideration Shares at an issue price of HK\$0.1 per Consideration Share at Completion; and (iii) the remaining Consideration of HK\$25 million in cash at Completion. The Consideration Shares will be issued under the Specific Mandate.

Upon completion of Reorganisation, the Target Company will be interested in the Project Company which is engaged in the solid waste treatment business in Yingkou City, Liaoning Province, the PRC.

### **GEM LISTING RULES IMPLICATION**

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition exceeds 25% but is below 100%, the Acquisition constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

### **The EGM**

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

As at the date of this announcement, the Vendor is interested in 73,500,000 Shares, the Vendor and its associates shall abstain from voting on the proposed resolution(s) to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder at the EGM. Save for the aforesaid and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, no other Shareholder is involved in or interested in the Acquisition which requires him/her to abstain from voting on the proposed resolution(s) to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder at the EGM.

### **GENERAL**

A circular containing, among other information, (i) further information on the Acquisition and the Target Group; (ii) financial information of the Group and the Target Group; and (iii) a notice of the EGM, will be despatched to the Shareholders on or before 14 July 2016 as additional time is required for the preparation of the information to be included in the circular.

**As the Acquisition Agreement is subject to certain conditions precedent, the Acquisition Agreement may or may not become unconditional or be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## THE ACQUISITION

Reference is made to the announcement of the Company dated 2 March 2016 in relation to the proposed acquisition of a renewable energy technology development in the PRC.

The Board is pleased to announce that on 8 June 2016 (after trading hours of the Stock Exchange), the Purchaser, the Vendor and the Guarantors entered into the Acquisition Agreement. Principal terms of the Acquisition Agreement are set out below.

## THE ACQUISITION AGREEMENT

**Date:** 8 June 2016

**Parties:**

- (1) the Purchaser;
- (2) the Vendor; and
- (3) Mr. Chu Haitao and Mr. Chu Haidong (as the Guarantors)

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owners, the Guarantors are Independent Third Parties.

**Subject asset:** the Sale Shares, representing 40% equity interest in the Target Company

## Consideration

Pursuant to the Acquisition Agreement, the Consideration of HK\$81 million, shall be paid by the Purchaser to the Vendor (or its nominee(s)) as to:

- (i) HK\$5 million in cash within 5 Business Days from the date of the Acquisition Agreement as refundable deposit (the “**Deposit**”);
- (ii) HK\$51 million by procuring the Company to allot and issue 510,000,000 Consideration Shares at an issue price of HK\$0.1 per Consideration Share at Completion; and

(iii) the remaining Consideration of HK\$25 million in cash at Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor after taken into account (i) the value of the Target Group based on market approach; and (ii) the Profit Guarantee provided by the Vendor.

The Vendor undertakes that all the cash consideration it received under this Acquisition, being a total of HK\$30 million, will be lent to the Target Group (in which HK\$5 million will be lent upon the receipt of the Deposit, and HK\$25 million will be lent at Completion) for the Target Group's business operation. As such, all the cash consideration will be paid directly to the Target Group. Such shareholder's loan will be interest-free and repayable on 30 June 2020.

The cash consideration will be financed by the proceeds from the placing of new shares completed on 8 June 2016 and internal resources, or such other methods as the Group considers appropriate.

### **Profit Guarantee**

Pursuant to the Acquisition Agreement, the Vendor covenanted and guaranteed to the Purchaser (the "**Profit Guarantee**") that the audited consolidated net profit after taxation (before extraordinary items) of the Target Group based on the financial statements prepared in accordance with the Hong Kong Financial Reporting Standards and to be audited by auditors approved by the Purchaser and the Vendor (the "**Actual Net Profit**"), shall not be less than the following amount for the respective Relevant Period (the "**Guaranteed Profit**"):

<b>Relevant Period</b>	<b>Guaranteed Profit</b> <i>(RMB)</i>
From 1 October 2016 to 30 June 2017	15,000,000
Financial year ending 30 June 2018	20,000,000
Financial year ending 30 June 2019	21,000,000
Financial year ending 30 June 2020	22,000,000

In the event the Actual Net Profit is less than the respective Profit Guarantee for the Relevant Period, the Vendor shall compensate the Purchaser in cash (in an equivalent amount of Hong Kong Dollars), on a dollar-for-dollar basis, calculated in the following manner:

$(\text{Guaranteed Profit} - \text{Actual Net Profit}) \times 40\%$

For the avoidance of doubt, if there is consolidated loss for the Target Group, the Actual Net Profit shall be deemed as zero. The Profit Guarantee was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the business development of the Target Group and the Project Company.

As provided in the Acquisition Agreement, if there is any event of force majeure, including but not limited to natural disaster, wars and substantial price fluctuation of the published city-gate price of natural gas for non-residential use of more than 25% than the prevailing published price as at the date of the Acquisition Agreement, the parties will re-negotiate and, if necessary, adjust the terms for the Profit Guarantee upon mutual agreement by the parties.

The parties to the Acquisition Agreement further agreed that if the Guaranteed Profit during the Relevant Period is achieved and subject to the actual operational requirement of the Target Group and relevant applicable laws and regulations, 25% of the portion that the Actual Net Profit exceeded the Guaranteed Profit during the Relevant Period may be awarded to the senior management of the Target Group as bonus, the amount and the payment method will be subject to an unanimous approval of the board and the shareholders of the Target Company.

### **Conditions precedent**

Completion of the Acquisition is conditional upon the satisfaction of the following conditions precedent:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review of the assets, liabilities, operations and affairs of the Target Group to be conducted as it may reasonably consider appropriate, including but not limited to the completion of the Reorganisation;
- (b) the Vendor, the Target Company and the Purchaser having obtained all necessary consents and approval to enter into the Acquisition Agreement and the transactions contemplated thereunder;
- (c) the obtaining of all requisite waiver(s), approval(s), permit(s), authorisation(s), consent(s), licence(s), decree(s), and/or exemption(s) (if necessary) from any government and regulatory authority(ies) or other third parties;
- (d) the passing of ordinary resolution(s) by the Shareholders at the EGM approving the Acquisition Agreement, the Specific Mandate and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Consideration Shares;

- (e) the Listing Committee granting the listing of and permission to deal in the Consideration Shares;
- (f) the obtaining of a PRC legal opinion to be issued by the PRC legal adviser appointed by the Purchaser (in form and substance acceptable to the Purchaser) relating to the Acquisition Agreement and the transactions contemplated thereunder;
- (g) the Acquisition Agreement and the transactions contemplated thereunder are not considered to be a reverse takeover transaction by the Stock Exchange; and
- (h) the representations and warranties provided by the Vendor contained in the Acquisition Agreement remaining true and accurate in all aspects.

Conditions (a), (f) and (h) above are waivable by the Purchaser under the Acquisition Agreement while all the other conditions are incapable of being waived. The Purchaser has no current intention to waive such conditions as at the date of this announcement. If any of the above conditions is not fulfilled or waived (as the case may be) on or before 31 August 2016 or such later date as the parties to the Acquisition Agreement may agree in writing, the Acquisition Agreement shall terminate, none of the parties to the Acquisition Agreement shall have any further obligations towards the other thereunder except for antecedent breaches (if any).

## **Completion**

Completion will take place within 7 Business Days after the conditions have been fulfilled or waived (or such other date as the Vendor and the Purchaser may agree in writing).

Upon the Completion, the Target Company will become an associate of the Group. Investment in an associate will be accounted for in the Group's financial statements by equity method.

## **Shareholder's Agreement**

Pursuant to the Acquisition Agreement, the Purchaser and the Vendor will enter into a shareholders' agreement upon Completion which will set out the following:

- (a) **Board composition:** the board of the Target Group shall comprise a total of 5 directors, in which the Purchaser and the Vendor shall have the respective right to nominate up to 2 and 3 directors respectively.
- (b) **Right of first refusal:** if the Vendor proposes to transfer part/all of its equity interest of the Target Company to any other third party (the “**New Investor**”), the Purchaser shall have the right of first refusal to acquire such interest on terms no less favorable than those offered to any third party;
- (c) **Tag-along right:** provided that the Purchaser has not exercised its right of refusal in (b) above, and unless the New Investor has made an offer to the Purchaser to purchase the interest of the Target Company on same term, the Vendor is not allowed to transfer any interest in the Target Company to the New Investor.
- (d) **Dividend distribution:** subject to the working capital requirements and amount of distributable profit, the Target Company shall declare a cash dividend of not less than 30% of the audited consolidated net profits after tax of the Target Group in accordance with the HKFRS in each financial year, subject to unanimous approval of the board and the shareholders of the Target Company.

## **THE CONSIDERATION SHARES**

The 510,000,000 Consideration Shares to be issued and allotted under the Acquisition Agreement represent:

- (1) approximately 28.33% of the issued Shares as at the date of this announcement; and
- (2) approximately 22.08% of the issued Shares as enlarged by the Consideration Shares.

The issue price of the Consideration Shares of HK\$0.10 was determined after arm's length negotiation between the Company and the Vendor with reference to the prevailing trading price of the Shares and represents:

- (1) a premium of approximately 1.01% over the closing price of HK\$0.099 per Share as quoted on the Stock Exchange on the date of the Acquisition Agreement;
- (2) a premium of approximately 2.88% over the average closing price of HK\$0.0972 per Share for the last five consecutive trading days immediately prior to the date of the Acquisition Agreement; and
- (3) a premium of approximately 2.35% over the average closing price of HK\$0.0977 per Share for the last ten consecutive trading days immediately prior to the date of the Acquisition Agreement.

The Consideration Shares will be allotted and issued under the Specific Mandate to be sought from the Shareholders at the EGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the existing Shares then in issue on the date of allotment and issuance.

Pursuant to the Acquisition Agreement, the Consideration Shares to be issued to the Vendor is subject to a 12-month lock-up period from the Completion Date.

## **INFORMATION ON THE VENDOR AND THE GUARANTORS**

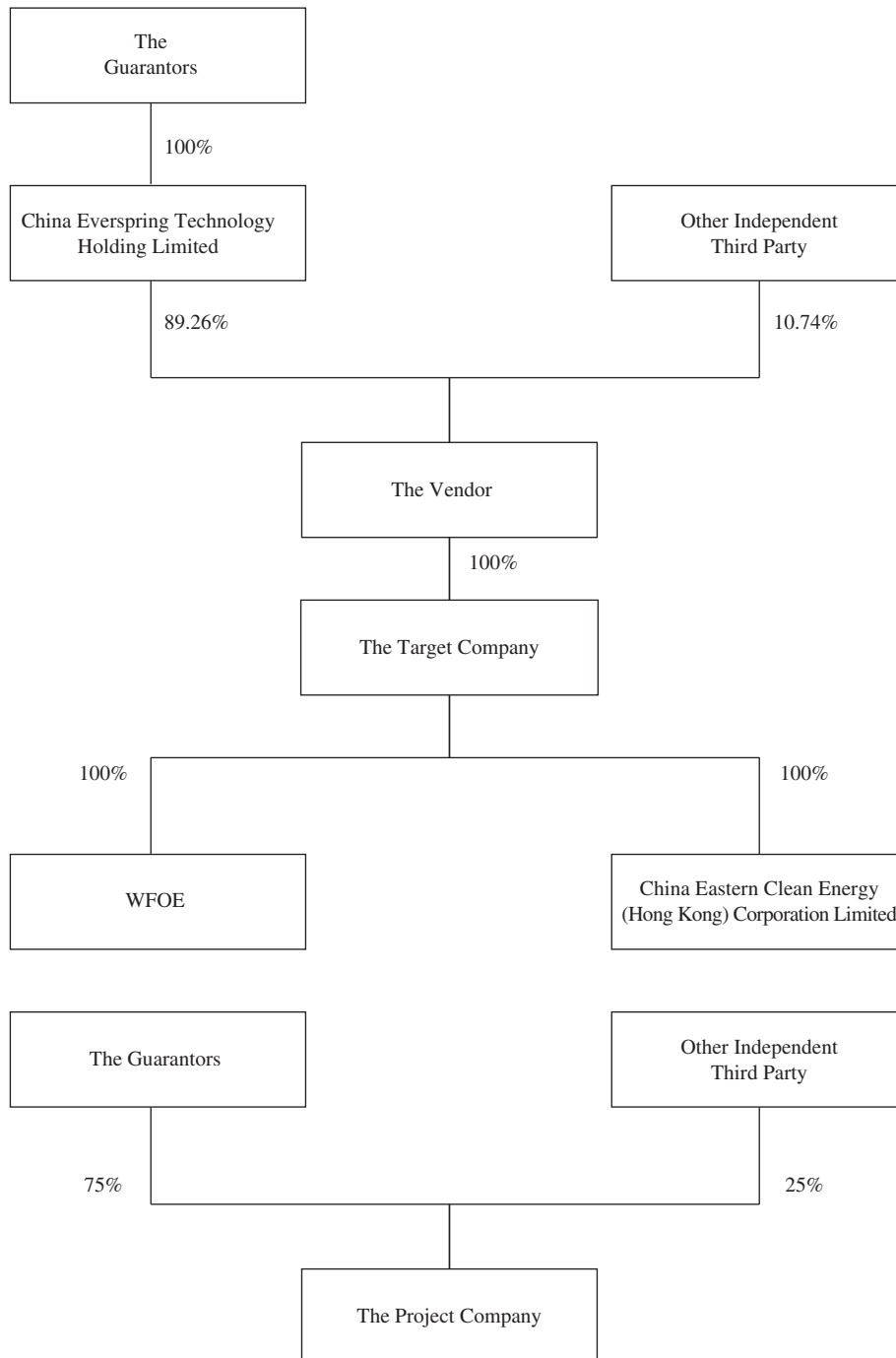
The Vendor was incorporated in the British Virgin Islands with limited liability. Its principal business activity is investment holdings. As at the date of this announcement, the Vendor is owned as to 89.26% and 10.74% by China Everspring Technology Holding Limited and other Independent Third Party respectively. China Everspring Technology Holding Limited is a limited company incorporated in the British Virgin Islands and is principally engaged in investment holdings. The Guarantors, namely Mr. Chu Haidong and Mr. Chu Haitao, who are brothers, are the controlling shareholders holding 50% and 50% of the equity interest in China Everspring Technology Holding Limited respectively.

# INFORMATION OF THE TARGET GROUP

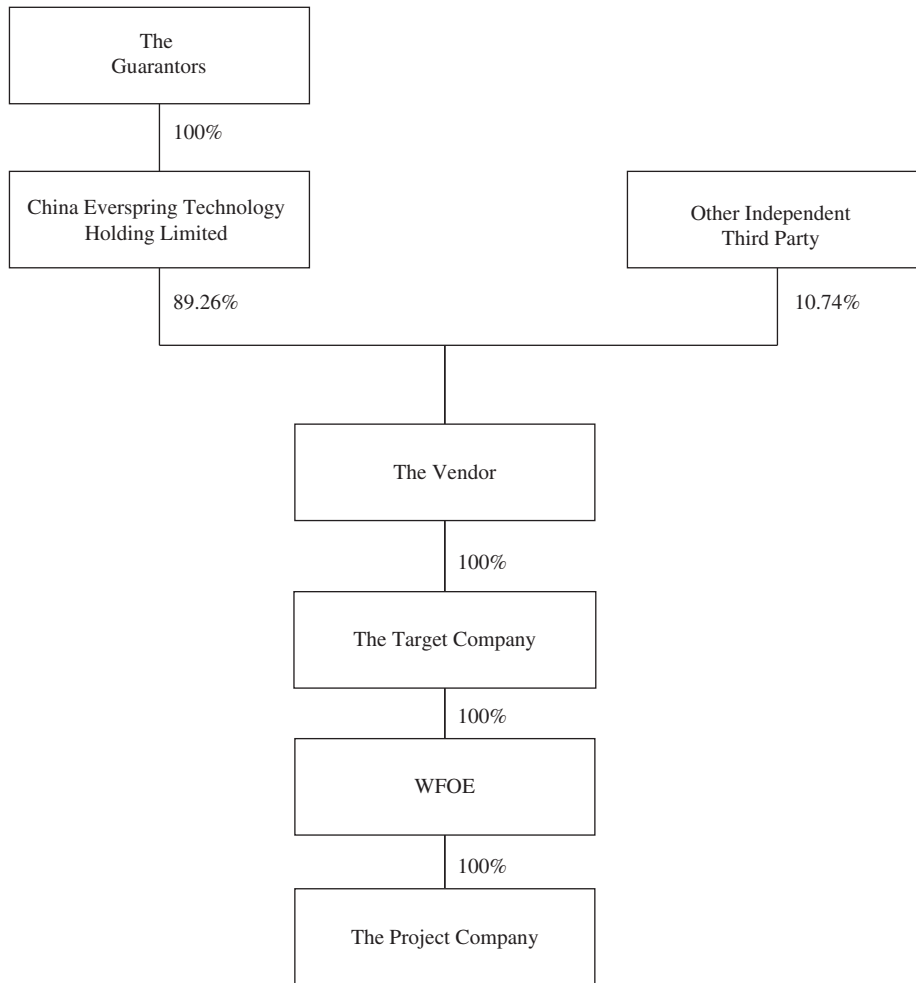
## Shareholding structure of the Target Group

The graph below sets out the group structure of the Target Group:

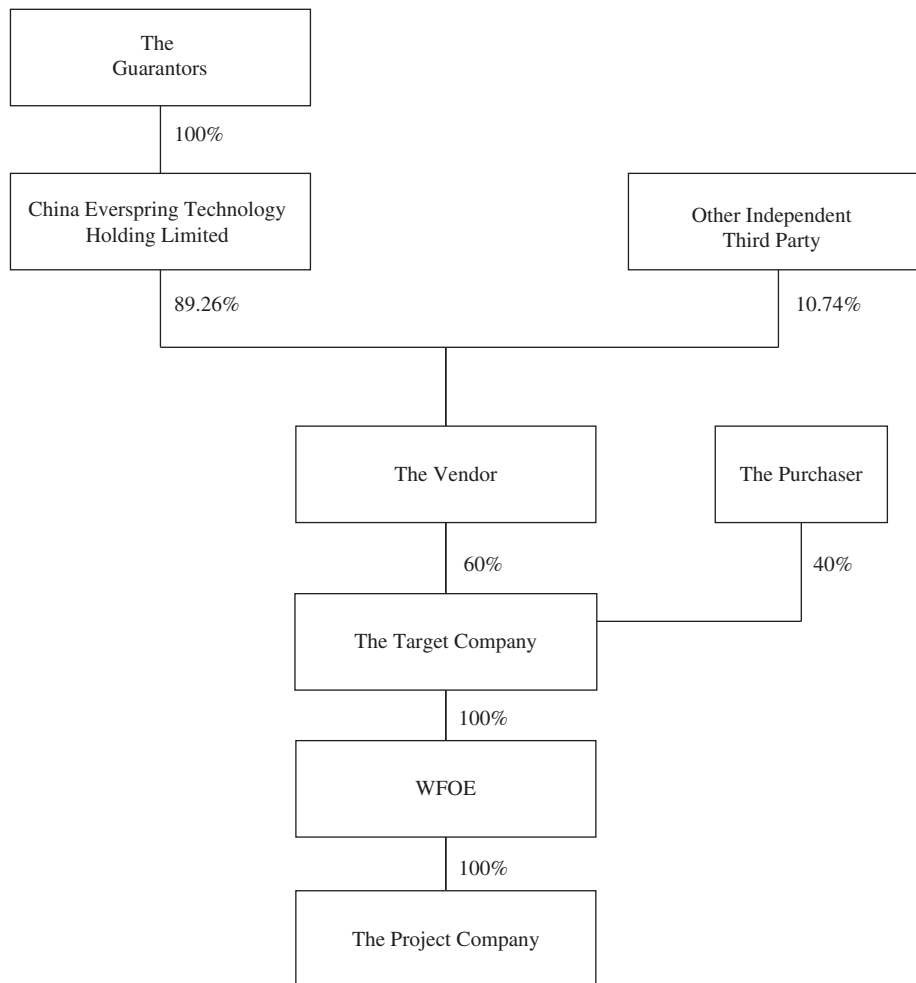
(1) As at the date of this announcement



(2) After completion of the Reorganisation



### (3) After Reorganisation and Completion



The Target Company was incorporated in the Cayman Islands on 12 July 2007 with limited liabilities. The Target Group has no material business operation since its incorporation, save for the Reorganisation undergoing, under which the Target Group will acquire the 100% equity interest in the Project Company which has a Built-Operate-Transfer (BOT) project under concessionary agreement in waste treatment in Yingkou City, Liaoning Province, the PRC (the “**Project**”). As at the date of this announcement, the Reorganisation is yet to be completed.

## **The Project**

In July 2005, the Project Company was conditionally awarded the BOT concession right granted by 營口市公用事業與房產局 (transliterated as Yingkou Municipal Public Business & Property Bureau) (the “**Bureau**”). Under the concessionary agreement and its supplements (the “**Concessionary Agreement**”), the Project Company is responsible for the construction of a waste treatment plant in Yingkou City, Liaoning Province with its own fund. The agreed daily treatment capacity of the treatment plant are 500-700 tonnes municipal solid waste (“**MSW**”) and 100 tonnes sludge. Pursuant to the concessionary agreement, the concessionary period is 25 years from the commencement of operation, during which the Project Company will be responsible for the management, operation and maintenance of the plant. Upon expiry of the Concessionary Agreement, the ownership of the treatment plant will be transferred to the Bureau at nil consideration.

Also as set out in the Concessionary Agreement, the Bureau agreed to deliver to the Project Company a daily average of 500 tonnes MSW per annum and not less than a daily average of 80 tonnes of sludge per annum during the first two years of operation and will increase to a daily average of 100 tonnes sludge per annum from the third year. From the fourth year onwards up to the end of the concessionary period, the amount of MSW will be increased gradually to meet the designed capacity of 600 tonnes MSW of the plant. Under the Concessionary Agreement, the Bureau agreed to provide treatment fee of RMB60 per tonne for the MSW treatment and RMB180 per tonne for the treatment of sludge, such treatment fee will be adjusted in line with the standard treatment fee. In the event the Project Company is unable to handle the capacity of 600 tonnes MSW and 100 tonnes sludge each day on an annualised basis, the Project Company has to compensate such shortage to the Bureau for RMB60 per tonne MSW and RMB180 per tonne sludge.

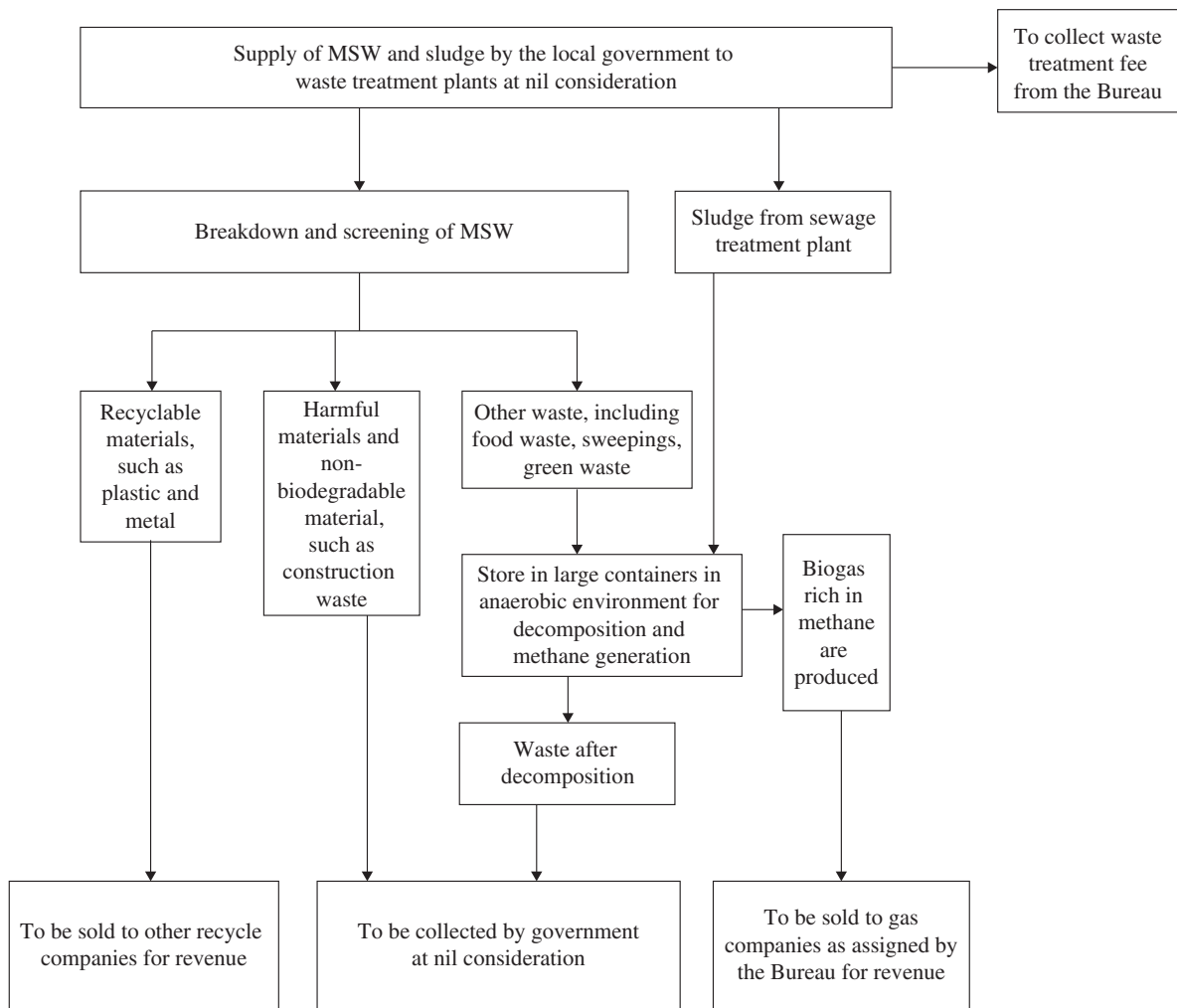
### *Current status*

The construction of the waste treatment plant has been completed in April 2016 with total investment of approximately RMB205 million (approximately HK\$241.96 million). The waste treatment plant is located in Yingkou City with a site area of approximately 86,795 m<sup>2</sup>. The designed waste treatment capacity is 600 tonnes MSW and 100 tonnes sludge per day. As at the date of this announcement, the waste treatment plant is in trial operation. It is expected that the commercial operation of the waste treatment plant will begin in October 2016.

*Business model*

As set out in the above, the Bureau will deliver to the Project Company the agreed amount of MSW and sludge. The Project Company will then have a screening of MSW to sort out materials that can be recycled such as plastic and metal which are collected and sold. The remaining waste will be collected and processed to decompose under anaerobic environment for around 25 days, during which biogas rich in methane will be produced and collected and sold to the gas companies as assigned by the Bureau.

Set out below is a simplified flow chart illustrating the operation flow of the waste treatment:



Based on the current design, the Target Group will generate income mainly by (i) the collection of waste treatment fee from the Bureau for the processing of MSW; (ii) the sales of recyclable materials collected in the course of MSW processing; and (iii) the sale of methane collected in the course of MSW processing to other gas companies.

### **Financial information of the Target Group**

Saved for the Project Company and the WFOE, other members of the Target Group have no material operation and expenses. Set out below are selected financial information of the Project Company and the WFOE for the two years ended 31 December 2014 and 31 December 2015:

#### **The Project Company**

*(prepared in accordance with the Hong Kong Financial Reporting Standards)*

	<b>Year ended 31 December 2014 RMB'000 (unaudited)</b>	<b>Year ended 31 December 2015 RMB'000 (unaudited)</b>
Profit/(loss) before tax	441	2,984
Profit/(loss) after tax	441	2,984

The unaudited net asset value of the Project Company amounted to approximately RMB68.22 million as at 30 April 2016.

#### **The WFOE**

*(prepared in accordance with the PRC Generally Accepted Accounting Principles)*

	<b>Year ended 31 December 2014 RMB'000 (unaudited)</b>	<b>Year ended 31 December 2015 RMB'000 (unaudited)</b>
Profit/(loss) before tax	(3,293)	(3,400)
Profit/(loss) after tax	(3,293)	(3,400)

The unaudited net asset value of the WFOE amounted to approximately RMB108.25 million as at 30 April 2016, in which approximately RMB80 million, represented the loan advance to the Project Company before the date of the Acquisition Agreement, will be capitalised upon completion of the Reorganisation.

Further financial information of the Target Group will be set out in the circular in relation to the Acquisition.

## CHANGE IN SHAREHOLDING STRUCTURE

The table below sets out the change in the Company's shareholding structure as at the date of this announcement and immediately upon completion of the Acquisition with the issue of Consideration Shares:

	As at the date of this announcement		Immediately upon the completion of the Acquisition with the issue of the Consideration Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Zhao Han	120,000,000	6.67	120,000,000	5.19
China New Energy Power Group Limited	192,190,000	10.68	192,190,000	8.32
The Vendor	73,500,000	4.08	583,500,000	25.26
Public Shareholders	<u>1,414,310,000</u>	<u>78.57</u>	<u>1,414,310,000</u>	<u>61.23</u>
Total	<u>1,800,000,000</u>	<u>100.00</u>	<u>2,310,000,000</u>	<u>100.00</u>

## **REASONS FOR AND BENEFITS OF THE 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 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.

On 7 March 2016, the Company announced that the Group has successfully established a joint venture company in Shanghai to perform the environmental and cleaning business, the geographical coverage of the Group's businesses has been successfully expanded into Shanghai, the PRC. On 11 April 2016, the Board also announced the acquisition of Logon Clean Energy Group Limited, through which the Group further expanded its geographical coverage of its existing businesses and the new property management and car park management business into Shenzhen, the PRC. In line with the current business direction and strategies, the Acquisition if materialised, represent a further step of the Group to increase its business presence in the environmental protection, waste treatment and waste-to-energy business in the PRC.

The Group considers the Acquisition is of good potential notwithstanding the fact that the Company will obtain a minority interest in the Target Group upon Completion. The Project Company owns and operates waste treatment plants in Yingkou City, Liaoning Province, the PRC. With the rapid urbanisation and population growth, there is increasing concern and demand for proper treatment for municipal solid waste in the PRC. The BOT structure of the business together with the guaranteed treatment fee from the local government will provide steady income source to the Target Group and the Group.

The Directors consider that the (i) acceptance of the Consideration being paid mainly in Consideration Shares (as opposed to cash or other form of consideration) demonstrates the Vendor's confidence in the positive prospects on the Acquisition and the growth potential of

the Company; (ii) under the BOT arrangement the government has guaranteed the supply of waste and minimum treatment fee, this may provide stable source of income to the Target Group; (iii) the Profit Guarantee given by the Vendor has shown a promising prospect of the future profitability of the Target Group; (iv) the agreed dividend distribution will provide a stable source of income to the Company; thus the Acquisition is a good opportunity for the Group to leverage on its existing presence and benefit from the potential dividend income from the Target Group.

In light of the above, the Directors are of the view that the terms of the Acquisition Agreement are on normal commercial terms and in the interests of the Group, the Company and the Shareholders as a whole.

### **GEM LISTING RULES IMPLICATION**

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition exceeds 25% but is below 100%, the Acquisition constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under the GEM Listing Rules.

### **THE EGM**

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Acquisition, the Specific Mandate and the transactions contemplated thereunder.

As at the date of this announcement, the Vendor is interested in 73,500,000 Shares, the Vendor and its associates shall abstain from voting on the proposed resolution(s) to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder. Save for the aforesaid and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the date of this announcement, no other Shareholder is involved in or interested in the Acquisition which requires him/her to abstain from voting on the proposed resolution(s) to approve the Acquisition, the Specific Mandate and the transactions contemplated thereunder at the EGM.

### **GENERAL**

A circular containing, among other information, (i) further information on the Acquisition and the Target Group; (ii) the financial information of the Group and the Target Group; and (iii) a notice of the EGM, will be despatched to the Shareholders on or before 14 July 2016 as additional time is required for the preparation of the information to be included in the circular.

**As the Acquisition Agreement is subject to certain conditions precedent, the Acquisition Agreement may or may not become unconditional or be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Shares pursuant to the Acquisition Agreement
“Acquisition Agreement”	the share transfer agreement dated 8 June 2016 entered into between the Purchaser, the Vendor and the Guarantors in relation to the Acquisition
“Actual Net Profit”	the audited consolidated net profit after taxation (before extraordinary items) of the Target Group based on the financial statements prepared in accordance with Hong Kong Financial Reporting Standards and to be audited by auditors approved by the Purchaser and the Vendor
“Board”	the board of Directors
“Business Day”	any day (excluding Saturday) on which banks in Hong Kong are open for business
“Company”	PPS International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	the completion of the Acquisition
“Completion Date”	within seven (7) Business Days after the date which the conditions precedents to the Acquisition Agreement are fulfilled or waived

“Consideration”	the consideration for the Acquisition, being HK\$81 million
“Consideration Shares”	510,000,000 new Shares to be allotted and issued to satisfy part of the Consideration
“Directors”	the directors of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened to consider, if appropriate, and approve, the Acquisition Agreement, the Specific Mandate and the transactions contemplated thereunder
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Chu Haitao and Mr. Chu Haidong, the ultimate controlling shareholders of the Vendor and the Target Company, being the guarantors to the Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	parties which are not connected persons of the Company (as defined in the GEM Listing Rules) and are independent of and not connected with the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules

“PRC”	the People’s Republic of China. For the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Project Company”	營口同方能源技術有限公司 (transliterated as Yingkou Tongfang Energy Technology Company Limited), a company established in the PRC with limited liability, and will be a wholly-owned subsidiary of the Target Group upon completion of the Reorganisation
“Purchaser”	Opulent Wise Global Limited (裕智環球有限公司), a wholly-owned subsidiary of the Company, being the purchaser to the Acquisition
“Relevant Period”	the 4 relevant periods are (i) the period from 1 October 2016 to 30 June 2017; (ii) the financial year ending 30 June 2018; (iii) the financial year ending 30 June 2019; and (iv) the financial year ending 30 June 2020
“Reorganisation”	the corporate reorganisation of the Target Group including but not limited to (i) the WFOE acquiring the Project Company’s entire registered capital and obtaining the relevant approvals from the PRC government authorities; and (ii) the completion of the disposal of the entire interest in China Eastern Clean Energy (Hong Kong) Corporation Limited
“Sale Shares”	the 7,600,000 ordinary shares of the Target Company, being the 40% equity interest in the Target Company as at the date of the Acquisition Agreement
“Share(s)”	the ordinary shares of HK\$0.001 each of the Company
“Shareholder(s)”	the holders of the Shares

“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM for the Board to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	China Eastern Clean Energy Corporation, a company incorporated in the Cayman Islands with limited liability, which is 100% owned by the Vendor as at the date of the Acquisition Agreement
“Target Group”	the Target Company and its subsidiaries, which will comprise WFOE and the Project Company after the Reorganisation
“WFOE”	東方綠能(北京)科技有限公司 (transliterated as Dongfang Clean Energy (Beijing) Science and Technology Company Limited), a wholly foreign owned enterprise established in the PRC, a subsidiary of the Target Group
“Vendor”	China Eastern Clean Energy Investment Corporation (中國東方清潔能源投資有限公司), a company incorporated in the British Virgin Islands with limited liability, the vendor to the Acquisition
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

On behalf of the Board  
**PPS International (Holdings) Limited**  
**Chan Wai Kit**  
*Chairman and Executive Director*

Hong Kong, 8 June 2016

*For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.18 has been used for currency conversion. This is for the purpose of illustration only and does not constitute a representation that any amounts in RMB have been, could have been or may be converted at such rate or any other exchange rate.*

*As at the date of this announcement, the Directors comprises four executive Directors, Mr. Chan Wai Kit, Ms. Ding Pingying, Ms. Wang Jun and Ms. Wong Chi Yan, two non-executive Directors, Ms. Li Qingchen and Mr. Xu Xiaoping, and three independent non-executive Directors, Mr. Chui Chi Yun, Robert, Mr. Huang Ke and Mr. Kwong Tsz Ching Jack.*

*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 Announcements” page of the internet website operated by the Stock Exchange for the purposes of the GEM at [www.hkgem.com](http://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](http://www.hkpps.com.hk).*

*\* For identification purpose only*