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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)**

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the management of the Group, it is expected that the Group will record a net loss of approximately HK\$51.2 million for the year ended 30 June 2016 as compared to the net loss of approximately HK\$27.2 million for the year ended 30 June 2015.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by PPS International (Holdings) Limited (the “**Company**”, and, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on Growth Enterprises Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

The board of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the management of the Group, it is expected that the Group will record a net loss of approximately HK\$51.2 million for the year ended 30 June 2016 as compared to the net loss of approximately HK\$27.2 million for the year ended 30 June 2015.

Based on the information currently available, the Board believes that the net loss for the year ended 30 June 2016 was primarily attributable to the following reasons, including, amongst others:

- (i) the decrease in the gross profit generated from our environmental and cleaning business in Hong Kong by approximately HK\$3.2 million from approximately HK\$22.7 million for the year ended 30 June 2015 to approximately HK\$19.5 million for the year ended 30 June 2016 as a result of (a) the inflation in the direct labour costs and sub-contracting fees; and (b) the deterioration of the profit margin ratio of some contracts secured due to fierce market competition;
- (ii) the net loss of approximately HK\$4.4 million from the auto beauty services business for the year ended 30 June 2016;
- (iii) the recognition of the share-based payment expenses of approximately HK\$6.6 million for the year ended 30 June 2016 related to the grant of the share options as announced by the Company on 11 December 2015;
- (iv) the increase in the legal and professional fees by approximately HK\$12.7 million from approximately HK\$8.4 million for the year ended 30 June 2015 to approximately HK\$21.1 million for the year ended 30 June 2016;
- (v) the compensation of approximately HK\$2.6 million for the early termination of the services contracts;
- (vi) the provision for claims of approximately HK\$2.9 million from the employees relating to their personal injuries;
- (vii) the increase in the administrative and operating expenses by approximately HK\$9.5 million from approximately HK\$13.1 million for the year ended 30 June 2015 to approximately HK\$22.6 million for the year ended 30 June 2016 due to business expansion of the Group;
- (viii) the impairment loss on the goodwill and intangible assets for the auto beauty business of approximately HK\$1.5 million; and
- (ix) the unrealized fair value loss of approximately HK\$1.4 million arising on the revaluation of the investments in securities.

The information contained in this announcement is only based on the preliminary estimations and calculations by the Board with reference to the information currently available, including the management accounts of the Group for the year ended 30 June 2016. Shareholders and potential investors are advised to refer to the Group's annual results for the year ended 30 June 2016 which is expected to be released on 26 September 2016.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**PPS International (Holdings) Limited**  
**Ye Jingyuan**  
*Chief Executive Officer and Executive Director*

Hong Kong, 19 September 2016

*As at the date of this announcement, the Board comprises three executive directors (the “Directors”) of the Company, Mr. Ye Jingyuan, Ms. Ding Pingying and Mr. Tse Man Yiu, 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 Growth Enterprise Market 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).*