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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)**

**REVISION OF ANNUAL CAP FOR  
CONTINUING CONNECTED TRANSACTION**

Reference is made to the Announcement in relation to a continuing connected transaction of the Company.

On 16 October 2014, PPS entered into the Master Vessels Cleaning Service Contract with Customer X for the provision of vessels cleaning services in both Hong Kong and Macau for a contract term of two years from 1 November 2014 to 31 October 2016. As agreed between PPS and Customer X, the contract term of the Master Vessels Cleaning Service Contract will be extended for further two months from 1 November 2016 to 31 December 2016.

On 21 October 2016, PPS entered into the Vessels Cleaning Service Contract with Niko, pursuant to which, PPS agreed to outsource and engage Niko to provide certain vessels cleaning services for Customer X in Macau as required under the Master Vessels Cleaning Service Contract. As the contract term of the Master Vessels Cleaning Service Contract will be extended for further two months from 1 November 2016 to 31 December 2016, PPS and Niko mutually agreed to extend the contract term of the Vessels Cleaning Service Contract for further two months from 1 November 2016 to 31 December 2016 in order to continuously provide certain vessel cleaning services for Customer X in Macau during the Extension Period.

In view of the contract term of the Vessels Cleaning Service Contract will be extended for the Extension Period, it is expected that the annual cap for the Vessels Cleaning Service Contract for the period from 1 July 2016 to 31 October 2016 will be insufficient, the Board proposed to revise the annual cap for the Vessels Cleaning Service Contract from HK\$1,800,000 for the period from 1 July 2016 to 31 October 2016 to HK\$2,500,000 for the period from 1 July 2016 to 31 December 2016.

As all percentage ratios (other than the profits ratio) under Rule 19.07 of the GEM Listing Rules in respect of the transaction contemplated under the Vessels Cleaning Service Contract are less than 25% and the annual cap for each period/year is less than HK\$10,000,000, pursuant to Rule 20.74(2)(b) of the GEM Listing Rules, the Vessels Cleaning Service Contract (as extended for the Extension Period) is subject to the reporting and announcement requirements but is exempt from circular (including independent financial advice) and the shareholders' approval requirement under the GEM Listing Rules.

Reference is made to the announcement (the “**Announcement**”) of PPS International (Holdings) Limited (the “**Company**”) dated 21 October 2014 in relation to a continuing connected transaction of the Company. Capitalised terms used herein should have the same meanings as those defined in the Announcement.

## **MASTER VESSELS CLEANING SERVICE CONTRACT**

On 16 October 2014, PPS entered into the Master Vessels Cleaning Service Contract with Customer X for the provision of vessels cleaning services in both Hong Kong and Macau for a contract term of two years from 1 November 2014 to 31 October 2016. As agreed between PPS and Customer X, the contract term of the Master Vessels Cleaning Service Contract will be extended for further two months from 1 November 2016 to 31 December 2016 (the “**Extension Period**”). Save for the extension of the contract term of Master Vessels Cleaning Service Contract to the Extension Period, all of the terms of Master Vessels Cleaning Service Contract remain unchanged, details of the terms of the Master Vessels Cleaning Service Contract can be referred to the Announcement.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the ultimate beneficial owners of Customer X are third parties independent of the Company and its connected persons.

## **VESSELS CLEANING SERVICE CONTRACT**

On 21 October 2016, PPS entered into the Vessels Cleaning Service Contract with Niko, pursuant to which, PPS agreed to outsource and engage Niko to provide certain vessels cleaning services for Customer X in Macau as required under the Master Vessels Cleaning Service Contract. As the contract term of the Master Vessels Cleaning Service Contract will be extended for further two months from 1 November 2016 to 31 December 2016, PPS and Niko mutually agreed to extend the contract term of the Vessels Cleaning Service Contract for further two months from 1 November 2016 to 31 December 2016 in order to continuously provide certain vessel cleaning services for Customer X in Macau during the Extension Period. Save for the extension the contract term of the Vessels Cleaning Service Contract to the Extension Period, all of the terms of Vessels Cleaning Service Contract remain unchanged, details of the terms of the Vessels Cleaning Service Contract can be referred to the Announcement.

Under the Vessels Cleaning Service Contract (as extended for the Extension Period), the total cleaning service fee for the period from 1 July 2016 to 31 December 2016 are HK\$2,382,000 among which the total cleaning service fee for Route A Vessels are HK\$2,004,000 and for Route B Vessels are HK\$378,000. The level of increment in the total cleaning service fee from HK\$1,588,000 for the period from 1 July 2016 to 31 October 2016 to HK\$2,382,000 for the period from 1 July 2016 to 31 December 2016 was determined with reference to the original service fee for the period from 1 July 2016 to 31 October 2016 of HK\$1,588,000 and a pro rate increment of the service fee for the Extension Period.

## **REASONS FOR THE REVISION OF ANNUAL CAP FOR THE YEAR ENDING 30 JUNE 2017**

As disclosed in the Announcement, the proposed annual cap for the Vessels Cleaning Service Contract for the period from 1 July 2016 to 31 October 2016 are HK\$1,800,000.

In view of the contract term of the Vessels Cleaning Service Contract will be extended for the Extension Period, it is expected that the annual cap for the Vessels Cleaning Service Contract for the period from 1 July 2016 to 31 October 2016 will be insufficient, the Board proposed to revise the annual cap for the Vessels Cleaning Service Contract from HK\$1,800,000 for the period from 1 July 2016 to 31 October 2016 to HK\$2,500,000 for the period from 1 July 2016 to 31 December 2016.

The proposed revision of the annual cap for the period from 1 July 2016 to 31 December 2016 is determined by the Directors with reference to (i) the actual services fee paid to Niko for the period from 1 July 2016 to 30 September 2016; (ii) the expected services fee to be paid to Niko for the period from 1 October 2016 to 31 December 2016; and (iii) the potential adjustment in the total number of vessels to be served as requested by Customer X.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Vessels Cleaning Service Contract (as extended for the Extension Period) and the transactions contemplated thereunder are on normal commercial terms and in the usual and ordinary course of business of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the Vessels Cleaning Service Contract (as extended for the Extension Period) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION**

The Group is principally engaged in the provision of environmental services which including (i) public area and office cleaning services which involve the 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 for 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 services 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) professional daily housekeeping and cleaning services for local boutique hotels, hostels and serviced apartments; (viii) secure and confidential waste destruction for commercial clients; (ix) sanitation services for yacht; (x) cleaning and waste management services for renovated apartment; and (xi) auto beauty services for private cars.

Niko is a company incorporated in Macau with limited liability and is principally engaged in the provision of cleaning services in Macau.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Niko is wholly owned as to 60% by Mr. Fan and 40% by Ms. Fan Sheung Ting, Maria. Mr. Fan is the father-in-law of Mr. Wong, the director of PPS, and Ms. Fan Sheung Ting, Maria is the lawful wife of Mr. Wong and the daughter of Mr. Fan. Therefore, Niko is a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules. Accordingly, the transaction contemplated under the Vessels Cleaning Service Contract and the transactions contemplated thereunder constitutes a continuing connected transaction of the Company.

As all percentage ratios (other than the profits ratio) under Rule 19.07 of the GEM Listing Rules in respect of the transaction contemplated under the Vessels Cleaning Service Contract are less than 25% and the annual cap for each period/year is less than HK\$10,000,000, pursuant to Rule 20.74(2)(b) of the GEM Listing Rules, the Vessels Cleaning Service Contract (as extended for the Extension Period) is subject to the reporting and announcement requirements but is exempt from circular (including independent financial advice) and the shareholders' approval requirement under the GEM Listing Rules.

None of the Directors has a material interest in the Vessels Cleaning Service Contract or is required to abstain from voting on such Board resolution to approve the Vessels Cleaning Service Contract (as extended for the Extension Period).

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

Hong Kong, 24 October 2016

*As at the date of this announcement, the Board comprises three executive Directors, 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).*