PPS INTERNATIONAL (HOLDINGS) LIMITED
寶 聯 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS

Financial adviser of the Company

Shinco Capital Limited

Underwriter of the Rights Issue

LAMTEX Securities Ltd.
林達證券有限公司

PROPOSED RIGHTS ISSUE

The Company proposes to raise funds by way of the Rights Issue, on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date.

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus (without the PAL and the EAF), for information only, to the Non-Qualifying Shareholders.

The Rights Issue (other than the Undertaken Shares) is fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

The Company will receive gross proceeds of not less than HK$48,600,000 and not more than HK$49,612,500. The estimated net proceeds of the Rights Issue will be not less than approximately HK$46.9 million and not more than approximately HK$47.9 million.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 10.29 of the GEM Listing Rules, since the Rights Issue would increase the issued share capital or the market capitalisation of the Company by no more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional upon approval by the Shareholders.

GENERAL

The Prospectus Documents containing, among other things, the Prospectus setting out details of the Rights Issue, the PAL and the EAF will be despatched to the Qualifying Shareholders, and the Prospectus (without the PAL and the EAF) will be despatched to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this announcement below for further details.

The Shares will be dealt in on an ex-rights basis from Wednesday, 11 January 2017. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 24 January 2017 to Thursday, 2 February 2017 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers.

Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Tuesday, 24 January 2017 to Thursday, 2 February 2017, (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

I. PROPOSED RIGHTS ISSUE

The Company proposes to raise funds by way of the Rights Issue, on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. The Rights Issue will only be available to the Qualifying Shareholders. Details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue:	one (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price:	HK$0.054 per Rights Share
Number of Shares in issue as at the date of this announcement:	1,800,000,000 Shares
Number of outstanding Share Options:	37,500,000 Shares
Number of Rights Shares:	Not less than 900,000,000 and not more than 918,750,000 Rights Shares
Aggregate nominal value of the Rights Shares:	Not less than HK$900,000 and not more than approximately HK$918,750
Number of Rights Shares underwritten by the Underwriter:	Not less than 575,929,500 and not more than 594,679,500 Rights Shares (assuming additional Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Share Options), on a fully underwritten basis, being all Rights Shares other than the Undertaken Shares
Number of Shares expected to be in issue immediately upon completion of the Rights Issue:	Not less than 2,700,000,000 and not more than 2,756,250,000 Shares
Funds to be raised before expenses:	Not less than HK$48,600,000 and not more than HK$49,612,500

As at the date of this announcement, saved for the 37,500,000 Share Options as stated above, the Company has no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Rights Shares

Assuming no Share Option is exercised and no new Shares will be issued and/or repurchased by the Company on or before the Record Date, 900,000,000 Rights Shares will be issued and allotted representing 50.00% of the issued share capital of the Company as at the date of this announcement and approximately 33.33% of the issued share capital of the Company as enlarged by the Rights Shares.

Assuming all the 37,500,000 Share Options are exercised and no new Shares will be issued and/or repurchased by the Company on or before the Record Date, the total Rights Shares will be 918,750,000 Rights Shares.

The Rights Issue (other than the Undertaken Shares) is fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

Subscription Price

The Subscription Price of HK$0.054 per Rights Share will be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or application for the excess Rights Shares. The Subscription Price represents:

a. a discount of 40% to the closing price of approximately HK$0.09 per Share as quoted on the Stock Exchange on the Last Trading Day;

b. a discount of approximately 40.27% to the average closing price of approximately HK$0.0904 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;

c. a discount of approximately 41.37% to the average closing price of approximately HK$0.0921 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and

d. a discount of approximately 30.77% to the theoretical ex-entitlement price (assuming there is no new Shares issued by the Company and there is no Shares being repurchased by the Company from the date of this announcement up to the Record Date) of approximately HK$0.078 per Share based on the closing price of approximately HK$0.09 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions, the trading liquidity and the financial position of the Group. As all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Directors consider that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Rights Share after deducting the related expenses of the Rights Issue will be approximately HK$0.052.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfillment of the following conditions:

i. the filing and registration of the Prospectus Documents (with all the documents required to be attached thereto all having been duly authorised for registration by the Stock Exchange and signed by or on behalf of two Directors (or by their agents duly authorised in writing)), with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) on or before the Prospectus Posting Date;

ii. the posting of copies of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;

iii. the compliance with and performance by the Company of the undertakings and obligations under the terms of the Underwriting Agreement by the Latest Time for Termination;

iv. the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and such listings and permission to deal not having been withdrawn or revoked by the Latest Time for Termination;

v. the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the listing of the Shares on the Stock Exchange not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days at any time prior to the Latest Time for Termination (excluding any suspension in connection with the clearance of the announcement, the Prospectus Documents or other announcements or documents in connection with the Rights Issue);

vi. the delivery by the Company to the Underwriter of the Undertakings duly executed by Mr. Yu and Wui Wo on the date of the Underwriting Agreement and fulfilment of their respective obligations under the Undertakings by the Latest Time for Termination; and

vii. the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof by the Latest Time for Termination.

None of the above conditions is capable of being waived (other than conditions (i), (ii) (iii), (vi) and (vii) which are capable of being waived by the Underwriter in whole or in part) by any party to the Underwriting Agreement.

If the above conditions are not satisfied and/or waived in whole or in part by the respective dates specified above (or such later date or dates as the Underwriter and the Company may agree in writing), the Underwriting Agreement shall terminate and all liabilities of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the other. The Undertakings will lapse and the Rights Issue will not proceed.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank pari passu with the Shares then in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Rights Shares. Dealings in the Rights Shares, which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus (without the PAL and the EAF) to the Non-Qualifying Shareholders for information only.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates) with the Registrar for registration by no later than 4:30 p.m. on Thursday, 12 January 2017.

Basis of provisional allotment

The Rights Shares will be allotted on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted by the Latest Time for Acceptance.

Fractional entitlements to the Rights Shares

Fractional Rights Shares will be disregarded and not be issued to the Shareholders. Any fractional entitlements of the Rights Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Rights Shares will only arise in respect of the entire shareholding of a Shareholder regardless of the number of share certificates held by such Shareholder.

Closure of register of members

The Company's register of members will be closed from Friday, 13 January 2017 to Wednesday, 18 January 2017, both dates inclusive, for the purpose of, among other things, establishment of the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, that Shareholder may or may not be eligible to take part in the Rights Issue.

In compliance with Rule 17.41 of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal advice, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus containing, among other things, details of the Rights Issue, and to be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK$100 or less for its own benefit. Any unsold entitlement of Non-Qualifying Shareholders, together with any nil-paid Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. The Company reserves the right to treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Application for excess Rights Shares

Under the Rights Issue, Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any unsold Rights Shares created by adding together the fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares. Application can be made by the Qualifying Shareholders only and by completing the EAF for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for.

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis according to the principle that any excess Rights Shares will be allocated to the Qualifying Shareholders who apply for them on a pro rata basis with reference to the number of excess Rights Shares applied for, but no reference will be made to the number of Rights Shares applied for under a provisional allotment letter or the existing number of Shares held by such Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for.

For investors with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except the beneficial owner(s) which the Company shall permit in its absolute discretion. Investors with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) on or prior to the Record Date.

For investors whose Shares are held by their nominee(s) (or which are deposited in CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Thursday, 12 January 2017.

Share certificates for the Rights Shares and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" above, share certificates for all fully-paid Rights Shares are expected to be posted to the Qualifying Shareholders who have applied and paid for the Rights Shares on or before Thursday, 16 February 2017 by ordinary post at their own risk.

Refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) or in the event the Rights Issue is terminated are expected to be posted on or before Thursday, 16 February 2017 by ordinary post to the applicants at their own risk.

Application for listing of the Rights Shares

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms on the Stock Exchange. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be in board lots of 20,000 shares. Dealings in the Rights Shares registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Reasons for the Rights Issue and the use of proceeds

The Directors consider that the Rights Issue, which is on a fully underwritten basis, will provide funding for the Group to expand its principal business, to make acquisition and to capture suitable investment opportunities when opportunities arise. In addition, the Rights Issue would give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interest in the Company and provide an opportunity to all Qualifying Shareholders to participate in the growth of the Company in proportion to their shareholdings. Therefore, the Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company will receive gross proceeds of not less than approximately HK$48,600,000 and not more than approximately HK$49,612,500. The estimated net proceeds of the Rights Issue will be not less than approximately HK$46.9 million and not more than approximately HK$47.9 million. The Company intends to apply net proceeds from the Rights Issue in the following manner:

i. approximately HK$25.5 million will be utilized for the set up of the head office in Shenzhen and the expansion of the cleaning business in the PRC region;

ii. approximately HK$15 million will be utilized for the expansion of money lending services in order to bring in additional income to the Group; and

iii. the remaining balance of approximately HK$6.4 million to HK$7.4 million will be utilized for settling the remaining investment amount for the investment in 10% interest in Billionton Technology Group Limited as announced by the Company dated 12 December 2016 and/or as general working capital for the Group.

II. UNDERWRITING ARRANGEMENT

Undertakings from Mr. Yu and Wui Wo

As at the date of this announcement, Mr. Yu and Wui Wo, are interested in an aggregate of 648,141,000 Shares, representing approximately 36.01% of the total issued share capital of the Company. Pursuant to the Underwriting Agreement, Mr. Yu and Wui Wo have jointly signed the Undertakings in favour of the Company and the Underwriter pursuant to which each of them has conditionally undertaken, inter alia, that the Shares held by them on the date of the Undertakings will remain registered in their name at the close of business on the Record Date and that the Rights Shares to be provisionally allotted to them representing 324,070,500 Rights Shares will be taken up and paid for in full by them. The obligations of Mr. Yu and Wui Wo under the Undertakings are conditional upon the Underwriting Agreement becoming unconditional (except for the fulfilment of their respective obligations under the Undertakings) in accordance with its terms. If the conditions are not fulfilled, all liabilities of Mr. Yu and Wui Wo thereunder shall cease and the Undertakings shall lapse, and no party shall have any claims against the other for matters referred to in the Undertakings. Mr. Yu and Wui Wo will not apply for any excess Rights Shares.

Underwriting

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite not less than 575,929,500 and not more than 594,679,500 Shares (being all the 918,750,000 Rights Shares assuming the Share Options are fully exercised less the Undertaken Shares of 324,070,500 Rights Shares which will be provisionally allotted to Mr. Yu and Wui Wo).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company. As at the date of this announcement, the Underwriter is not interested in any Shares.

Commission

The Company will pay the Underwriter an underwriting commission of 2% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date. The Directors consider that the underwriting commission accords with market rates.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement by notice in writing given by it to the Company at any time prior to the Latest Time for Termination if:

1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

   a. the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

   b. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

   c. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or

3) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of

the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue; or

4) there comes to the notice of the Underwriter:-

    a. any matter or event showing any of the warranties given in the Underwriting Agreement was, when given, untrue or misleading or as having been breached in any respect; or

    b. any breach by the Company of any of its respective obligations or undertaking under the Underwriting Agreement.

The Underwriter is also entitled by a notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination any material breach of any of the warranties contained in the Underwriting Agreement comes to the knowledge of the Underwriter.

Upon the giving of notice of termination, all obligations of the Company and the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

III. INFORMATION OF THE GROUP

The Group is principally engaged in (A) 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; and (B) the money lending services.

IV. SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming no Share Option is exercised, set out below are the shareholding structures of the Company (for illustration purpose only) as at the date of this announcement and immediately after completion of the Rights Issue:

	As at the date of this announcement		**Immediately after completion of the Rights Issue**			
			Assuming all the Rights Shares are subscribed for by the Qualifying Shareholders		**Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders (other than Mr. Yu and Wui Wo)**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Mr. Yu Weiye *(note 1)*	378,976,000	21.05	568,464,000	21.05	568,464,000	21.05
Wui Wo	269,165,000	14.96	403,747,500	14.96	403,747,500	14.96
Sub-total	*648,141,000*	*36.01*	*972,211,500*	*36.01*	*972,211,500*	*36.01*
Other public Shareholders	1,151,859,000	63.99	1,727,788,500	63.99	1,151,859,000	42.66
Underwriter *(note 2)*	–	–	–	–	575,929,500	21.33
Total	1,800,000,000	100.00	2,700,000,000	100.00	2,700,000,000	100.00

Assuming all 37,500,000 Share Options are fully exercised on or before the Record Date, set out below are the shareholding structures of the Company (for illustrative purpose only) as at the date of this announcement as enlarged by the allotment of new Shares pursuant to the exercise of the Share Options, and immediately after the completion of the Rights Issue:

			Immediately after completion of the Rights Issue			
	As at the date of this announcement (for illustrative purpose only)		**Assuming all the Rights Shares are subscribed for by the Qualifying Shareholders**		**Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders and (other than Mr. Yu and Wui Wo)**	
	Number of Shares	*%*	*Number of Shares*	*%*	*Number of Shares*	*%*
Mr. Yu *(note 1)*	378,976,000	20.62	568,464,000	20.62	568,464,000	20.62
Wui Wo	269,165,000	14.65	403,747,500	14.65	403,747,500	14.65
Sub-total	*648,141,000*	*35.27*	*972,211,500*	*35.27*	*972,211,500*	*35.27*
Other public Shareholders	1,151,859,000	62.69	1,727,788,500	62.69	1,151,859,000	41.79
Holder of Share Options	37,500,000	2.04	56,250,000	2.04	37,500,000	1.36
Underwriter *(note 2)*	–	–	–	–	594,679,500	21.58
Total	1,837,500,000	100.00	2,756,250,000	100.00	2,756,250,000	100.00

Notes:

1. Mr. Yu beneficially owned 648,141,000 Shares, of which 269,165,000 Shares were owned by Wui Wo which in turn was wholly owned by Mr. Yu.

2. This scenario is for illustrative purpose only. As set out in the Underwriting Agreement, in the event of the Underwriter being called upon to subscribe for or procure subscribers for the Rights Shares not taken up under the Rights Issue (the "Untaken Shares"):

   (i) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 19.9% of the voting rights of the Company upon the completion of the Rights Issue; and

   (ii) the Underwriter shall use its best endeavours to ensure that (1) each of the subscribers of the Untaken Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; and (2) the public float requirements under Rule 11.23 of the GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

	Time and date 2017
Last day of dealings in Shares on a cum-rights basis	Tuesday, 10 January
First day of dealings in Shares on an ex-rights basis	Wednesday, 11 January
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Thursday, 12 January
Closure of register of members to determine the eligibility of the Rights Issue (both days inclusive)	Friday, 13 January to Wednesday, 18 January
Record Date	Wednesday, 18 January
Register of members re-opens	Thursday, 19 January
Despatch of the Prospectus Documents	Friday, 20 January
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 24 January
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Thursday 26 January
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Thursday, 2 February
Latest time for acceptance of and payment for the Rights Issue	4:00 p.m. on Tuesday, 7 February
Latest time for termination of the Underwriting Agreement	4:00 p.m. on Monday, 13 February
Announcement of the results of the Rights Issue	Wednesday, 15 February
Despatch of certificates for the fully-paid Rights Shares or refund cheques if the Rights Issue is terminated/ unsuccessful applications for excess Rights Shares	Thursday, 16 February
Expected first day of dealings in the fully-paid Rights Shares	9:00 a.m. on Friday, 17 February

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not carried out any fund raising exercises in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds
21 May 2016	Placing of 300,000,000 new Shares	HK$24.75 million	General working capital of the Group and/or financing the potential acquisition as disclosed in the Company's announcement dated 2 March 2016 or other future investment opportunities as and when think fit	As to (i) approximately HK$5 million for the general working capital; and (ii) HK$15 million for the provision of financial assistance under the money lending business. The unutilized proceeds as at the date of the announcement have been placed as the interest bearing deposits with licensed banks in Hong Kong.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 10.29 of the GEM Listing Rules, since the Rights Issue would increase the issued share capital or the market capitalisation of the Company by no more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional upon approval by the Shareholders.

POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS

As a result of the Right Issue, the exercise price of the Share Options and the number of Shares comprised therein will be adjusted in accordance with the respective terms and conditions of the Share Option Schemes and the GEM Listing Rules. The Company will instruct its auditors or independent financial adviser to certify the adjustments. Further announcement will be made in respect of the said adjustments as and when appropriate.

GENERAL

The Prospectus Documents containing, among other things, the Prospectus setting out details of the Rights Issue, the PAL and the EAF will be despatched to the Qualifying Shareholders, and the Prospectus (without the PAL and the EAF) will be despatched to the Non-Qualifying Shareholders (if any) for their information only.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this announcement above for further details.

The Shares will be dealt in on an ex-rights basis from Wednesday, 11 January 2017. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 24 January 2017 to Thursday, 2 February 2017 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers.

Any Shareholders or other persons dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Tuesday, 24 January 2017 to Thursday, 2 February 2017, (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"associate(s)"	has the meaning as ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday or Sunday or any day on which either a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal at any time between 9:00 a.m. and 4:00 p.m.) on which banks in Hong Kong are open for business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"Company"	PPS International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (Stock Code: 8201)
"Companies Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"connected person"	has the meaning as ascribed thereto under the GEM Listing Rules
"Director(s)"	director(s) of the Company
"EAF(s)"	the excess application form(s) to be issued in connection with the Rights Issue
"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
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Last Trading Day"	21 December 2016, being the date of the Underwriting Agreement
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 7 February 2017, or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance by the Qualifying Shareholders of the offer of Rights Shares as described in the Prospectus
"Latest Time for Termination"	4:00 p.m. on Monday, 13 February 2017, being the fourth Business Day following the acceptance date or such later date as the Company and the Underwriter may agree
"Mr. Yu"	Mr. Yu Weiye, the controlling shareholder of the Company as defined under the GEM Listing Rules

"Non-Qualifying Shareholders"	the Overseas Shareholders to whom the Board, based on legal opinions provided by the legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that(those) place(s)
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) to be issued in connection with the Rights Issue
"PRC"	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prospectus"	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date containing details of the Rights Issue
"Prospectus Documents"	the Prospectus, the PAL and EAF
"Prospectus Posting Date"	20 January 2017 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) is/are registered on the register of the members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	18 January 2017 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are expected to be determined
"Registrar"	the branch share registrar of the Company in Hong Kong, being Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
"Rights Share(s)"	not less than 900,000,000 and not more than 918,750,000 Shares to be issued pursuant to the Rights Issue

“Rights Issue”	the proposed offer by the Company by way of rights of the Rights Shares on the basis of one (1) Rights Share for every two (2) Shares in issue on the Record Date, to the Qualifying Shareholders at the Subscription Price, pursuant to the terms and conditions set out in the Underwriting Agreement and Prospectus
“Settlement Date”	4:00 p.m. on Monday, 13 February 2017, being the fourth Business Day following the acceptance date or such later date as the Company and the Underwriter may agree
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share Option(s)”	37,500,000 option(s) to subscribe for 37,500,000 Shares granted by the Company in accordance with the Share Option Scheme
“Share Option Scheme(s)”	the share option scheme adopted by the Company on 28 May 2013
“Share(s)”	ordinary share(s) of HK$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK$0.054 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC as amended, supplemented or otherwise modified from time to time
“Undertakings”	the conditional irrevocable undertakings dated 21 December 2016 from Mr. Yu and Wui Wo respectively to the Company and the Underwriter as described in the section headed “Undertakings from Mr. Yu and Wui Wo” in this announcement
“Undertaken Shares”	the 324,070,500 Rights Shares undertaken to be subscribed by Mr. Yu and Wui Wo subject to the Undertakings

"Underwriter"	Lamtex Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
"Underwriting Agreement"	the underwriting agreement dated 21 December 2016 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
"Underwritten Shares"	not less than 575,929,500 and not more than 594,679,500 Rights Shares being underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
"Wui Wo"	Wui Wo Enterprise Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Yu
"%" or "per cent"	percentage or per centum

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

Hong Kong, 21 December 2016

As at the date of this announcement, the Board of the Company comprises five executive Directors, Mr. Ye Jingyuan, Mr. Yu Shaoheng, Ms. Mui Fong, Mr. Tse Man Yiu and Ms. Ding Pingying and three independent non-executive Directors, Mr. Chui Chi Yun, Robert, Mr. Kwong Tsz Ching, Jack and Mr. Yu Xiufeng.

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 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.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.