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PPS International (Holdings) Limited Wui Wo Enterprise Limited
寶聯控股有限公司 匯和企業有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 8201)

*(Incorporated in the British Virgin
Islands with limited liability)*

JOINT ANNOUNCEMENT
(1) INCREASE IN SHAREHOLDING BY
A SUBSTANTIAL SHAREHOLDER;
(2) MANDATORY CONDITIONAL CASH OFFERS BY
LAMTEX SECURITIES LIMITED
ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES OF
PPS INTERNATIONAL (HOLDINGS) LIMITED AND
CANCEL ALL OUTSTANDING SHARE OPTIONS OF
PPS INTERNATIONAL (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY
THE OFFEROR AND PARTIES ACTING
IN CONCERT WITH IT);
AND
(3) RESUMPTION OF TRADING

Financial adviser to the Offeror

ROYAL EXCALIBUR
CORPORATE FINANCE COMPANY LIMITED

Offer agent to the Offeror

 **LAMTEX**

Financial adviser to the Company

 **Shinco Capital**
昇 豪 資 本

Shinco Capital Limited

INCREASE IN SHAREHOLDING BY A SUBSTANTIAL SHAREHOLDER

On 26 September 2016 the Offeror agreed to acquire a total of 269,165,000 Shares, representing approximately 14.95% of the total issued Shares for an aggregate consideration of HK\$29,608,150, equivalent to HK\$0.11 per Sale Share. The Offeror and the Seller entered into a bought and sold note on 26 September 2016 (after trading hours) in respect of the Share Acquisition. The consideration was determined after arm's length negotiations between the Offeror and the Seller, taking into account the then prevailing market prices of the Shares on the Stock Exchange. The Seller is independent from the Offeror and parties acting in concert with it. Completion of the Share Acquisition was not subject to any conditions precedent and took place on 27 September 2016 and the consideration was settled in cash.

MANDATORY CONDITIONAL CASH OFFERS

After the completion of the Share Acquisition on 27 September 2016, the number of Shares held by the Offeror and parties acting in concert with it, directly and indirectly, had increased from 378,976,000 Shares to 648,141,000 Shares, representing a increase from approximately 21.05% to approximately 36.01% of the total issued share capital of the Company as at the date of this joint announcement. Accordingly, the Offeror has become a controlling shareholder (as defined in the GEM Listing Rules) of the Company. Accordingly, upon completion of the Share Acquisition, the Offeror is required to make a conditional mandatory cash offer to acquire all issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. Pursuant to Rule 13.5 of the Takeovers Code, the Option Offer will be made to cancel all outstanding Share Options. Lamtex, on behalf of the Offeror and in compliance with the Takeovers Code, will conditionally make the Offers on terms to be set out in the Composite Document in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.13 in cash

For cancellation of each Share Option

with an exercise price of HK\$0.23 HK\$0.001 in cash

The Share Offer Price of HK\$0.13 for each Offer Share represents approximately 18.18% premium over the consideration of HK\$0.11 per Sale Share paid by the Offeror under the Share Acquisition. The Share Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code.

Under the Option Offer, since the exercise price of the outstanding Share Options is above the Share Offer Price, the outstanding Share Options are out of money and, therefore, the Option Offer Price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.001.

Confirmation of financial resources

On the basis of the Share Offer Price of HK\$0.13 per Offer Share, and the fact that the Company has 1,151,859,000 issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and 67,500,000 outstanding Share Options, the aggregate amount of funds required for the full acceptance of the Offers is HK\$149,809,170 which the Offeror will satisfy by its own resources.

Royal Excalibur, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

GENERAL

Independent Board Committee and Independent Financial Adviser

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chui Chi Yun, Robert, Mr. Huang Ke and Mr. Kwong Tsz Ching, Jack to advise the Independent Shareholders and the Optionholders in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Shareholders.

Composite Document

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in relation to the Offers; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers, together with the relevant form of acceptance and transfer, will be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code and other applicable regulations.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 27 September 2016 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 October 2016.

WARNING: THE OFFERS ARE CONDITIONAL. IF THE TOTAL NUMBER OF SHARES IN RESPECT OF WHICH, AT OR BEFORE THE OFFERS CLOSING DATE (OR SUCH OTHER TIME AS THE OFFEROR MAY, SUBJECT TO THE TAKEOVERS CODE, DECIDE), VALID ACCEPTANCES UNDER THE OFFERS TOGETHER WITH THE SHARES ACQUIRED OR AGREED TO BE ACQUIRED BEFORE OR DURING THE SHARE OFFER, WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING 50% OR LESS OF THE VOTING RIGHTS OF THE COMPANY, THE OFFERS WILL NOT BECOME UNCONDITIONAL AND WILL LAPSE.

INCREASE IN SHAREHOLDING BY A SUBSTANTIAL SHAREHOLDER

The Company was informed by its substantial Shareholder, Mr. Yu Weiye, the sole legal and beneficial owner of the Offeror, that on 26 September 2016, the Offeror agreed to acquire a total of 269,165,000 Shares, representing approximately 14.95% of the total issued Shares, for an aggregate consideration of HK\$29,608,150, which was equivalent to HK\$0.11 per Sale Share. The Offeror and the Seller entered into a bought and sold note on 26 September 2016 (after trading hours) in connection with the Share Acquisition. The consideration was determined after arm's length negotiations between the Offeror and the Seller, taking into account the then prevailing market prices of the Shares on the Stock Exchange. The Seller is independent of the Offeror and parties acting in concert with it. Completion of the Share Acquisition was not subject to any conditions precedent and took place on 27 September 2016, on which the consideration was settled in cash and financed by the Offeror's own resources.

MANDATORY CONDITIONAL CASH OFFERS

Prior to the completion of the Share Acquisition, the Offeror and the parties acting in concert with it owned, controlled or had direction over 378,976,000 Shares, representing approximately 21.05% of the total issued share capital of the Company. As at the date of this joint announcement, the Offeror and parties acting in concert with it own, control or have direction over 648,141,000 Shares, representing approximately 36.01% of the total issued share capital of the Company. The Offeror and parties acting in concert with it do not own, control or have direction over any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it. Accordingly, the Offeror has become a controlling Shareholder (as defined in the GEM Listing Rules).

Under Rule 26.1 of the Takeovers Code, the Offeror is required to make a conditional mandatory cash offer to acquire all issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it). Pursuant to Rule 13.5 of the Takeovers Code, the Option Offer will be made to cancel all outstanding Share Options.

As at the date of this joint announcement, the Company has 1,800,000,000 Shares in issue and 67,500,000 outstanding Share Options in respect of 67,500,000 Shares, all of which are exercisable at the exercise price of HK\$0.23. All 67,500,000 outstanding Share Options were granted pursuant to the share option scheme adopted by the Company on 28 May 2013.

Save for the aforesaid, the Company does not have any outstanding options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest and the Company has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares as at the date of this joint announcement.

Principal terms of the Offers

Lamtex, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers on terms to be set out in the Composite Document in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$0.13 in cash

The Option Offer

For cancellation of each Share Option

with an exercise price of HK\$0.23 HK\$0.001 in cash

The Share Offer Price of HK\$0.13 for each Offer Share represents approximately 18.18% premium over the consideration of HK\$0.11 per Sale Share paid by the Offeror under the Share Acquisition. The Share Offer will be extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. During the six months period prior to 26 September 2016, being the Last Trading Day, the Offeror and parties acting in concert with it had acquired 378,976,000 Shares and the highest trading price was HK\$0.13. Therefore, according to Rule 26.3 of the Takeovers Code, the Share Offer Price is set at HK\$0.13.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the Option Offer Price would normally represents the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, since the exercise price of the outstanding Share Options is above the Share Offer Price, the outstanding Share Options are out-of-money and the Option Offer Price is at a nominal value of HK\$0.001.

Condition to the Offers

The Offers are subject to valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on or prior to the Offers Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve) in respect of such number of Shares which, together with the Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights in the Company.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment of the aforesaid condition to the Offers in accordance with the Takeovers Code and the GEM Listing Rules. The latest time on which the Offeror can declare the Offers unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

Share Offer Price

The Share Offer Price of HK\$0.13 per Offer Share represents:

- (i) a premium of approximately 11.11% over the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on 26 September 2016, being the Last Trading Day;
- (ii) a premium of approximately 11.30% over the average closing price of approximately HK\$0.1168 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 11.78% over the average closing price of approximately HK\$0.1163 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 14.74% over the average closing price of approximately HK\$0.1133 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately by prior to and including the Last Trading Day; and
- (v) a premium of approximately 97.57% over the audited net assets per Share of approximately HK\$0.0658 as at 30 June 2016, calculated based on the Group's audited consolidated net assets of approximately HK\$118,423,000 as at 30 June 2016 and 1,800,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest closing price of the Shares

During the six-month period preceding the Last Trading Day:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.133 per Share on 22 June 2016; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.085 per Share on 8 April 2016.

Effect of accepting the Offers

The acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Shares acquired under the Share Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offers are made.

Acceptance of the Option Offer by the Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto.

Overseas Shareholders and Optionholders

As the Offers to persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they are resident, overseas Shareholders or Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of overseas Shareholders or Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by the accepting overseas Shareholders or Optionholders in respect of such jurisdictions).

Any acceptance by any overseas Shareholder or Optionholder will be deemed to constitute a representation and warranty from such overseas Shareholder or Optionholder to the Offeror that all local laws and requirements in respect of such overseas Shareholder or Optionholder have been complied with and that the Share Offer and the Option Offer can be accepted by such overseas Shareholder or Optionholder lawfully under the laws of the relevant jurisdiction. The overseas Shareholders or Optionholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to overseas Shareholders or Optionholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's waivers, the Composite Document will not be despatched to such overseas Shareholders or Optionholders. The Offeror will apply for such waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. In any event, all material information in the Composite Document will be made available to such overseas Shareholders.

Hong Kong stamp duty

Seller's ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by the relevant Shareholders at the rate of 0.1% of (i) the value of the consideration arising on acceptance of the Share Offer; or (ii) the market value of the Offer Shares, whichever is higher, and will be deducted from the amount payable to the Shareholders who accept the Share Offer. The Offeror will bear buyer's ad valorem stamp duty in respect of acceptance of the Share Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Offer Shares which are validly tendered for acceptance under the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

Settlement of the consideration

Subject to the Offers having become unconditional, settlement of the consideration in cash in respect of the acceptances of the Offers will be made as soon as possible, but in any event within seven business days (as defined under the Takeovers Code) of (i) the date of receipt of a duly completed acceptance in respect of the Offers, or (ii) the date of the Offers becoming unconditional, whichever is the later. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid.

Value of the Offers

Based on the Share Offer Price of HK\$0.13 per Offer Share and 1,800,000,000 Shares in issue as at the date of this joint announcement, the total issued share capital of the Company is valued at HK\$234,000,000. Based on the Share Offer Price of HK\$0.13 per Offer Share for 1,151,859,000 Offer Shares, the Share Offer is valued at HK\$149,741,670.

As at the date of this joint announcement, there are in total 67,500,000 outstanding Share Options in respect of 67,500,000 Shares. Assuming that no Share Options are exercised before the Offers Closing Date, the total consideration required to satisfy the cancellation of all the outstanding Share Options is HK\$67,500.

Based on the above and assuming that no Share Options are exercised before the Offers Closing Date, the Offers are valued at HK\$149,809,170 in aggregate.

In the event that all outstanding Share Options are exercised before the Offers Closing Date, the Company will have to issue 67,500,000 new Shares, representing approximately 3.61% of the enlarged issued share capital of the Company. Assuming that the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Share Options), the maximum value of the Share Offer will be increased to HK\$158,516,670 as a result thereof. In that case, no amount will be payable by the Offeror under the Option Offer.

DEALING DISCLOSURE

Mr. Yu Weiye and Mr. Yu Shaoheng is the sole shareholder and director of the Offeror respectively, therefore they are deemed to be parties acting in concert with the Offeror under the SFO. They have acquired in aggregate 378,976,000 Shares during the period from 26 March 2016 to 26 September 2016 at prices ranging from HK\$0.108 per Share to HK\$0.13 per Share, representing approximately 21.05% of the total issued share capital of the Company. Save for the aforesaid and the Share Acquisition, the Offeror and parties acting in concert with it had not dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares or other types of equity interest in the Company during the six months period prior to 26 September 2016, being the Last Trading Day. The Offeror confirms that as at the date of this joint announcement:

- (a) neither the Offeror nor any parties acting in concert with it has received any irrevocable commitment to accept the Offers;
- (b) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any of the parties acting in concert with it;
- (c) there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of Offeror which might be material to the Offers;
- (d) there is no agreement or arrangement to which the Offeror (nor any of the parties acting in concert with it) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (e) there are no relevant securities in the Company which the Offeror (or any of the parties acting in concert with it) has borrowed or lent; and

- (f) save for the 648,141,000 Shares held by the Offeror as at the date of this joint announcement, neither the Offeror nor any the parties acting in concert with it holds any convertible securities, warrants or options in the Company.

All associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offeror and the Company are reminded to disclose their dealings in the securities of the Company in accordance with Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

The Offeror, its nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase, the Shares other than pursuant to the Share Offer, during the period in which the Share Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the website of the SFC at <http://www.sfc.hk/>.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below illustrates the shareholding structure of the Company as mentioned below:

- (i) immediately before completion of the Share Acquisition;
- (ii) as at the date of this joint announcement (assuming no Share Option is exercised); and
- (iii) as at the date of this joint announcement (assuming all outstanding Share Options are exercised),

Shareholders	Immediately before completion of the Share Acquisition		As at the date of this joint announcement (assuming no Share Option is exercised)		As at the date of this joint announcement (assuming all outstanding Share Options are exercised)	
	<i>Approximate</i>		<i>Approximate</i>		<i>Approximate</i>	
	<i>Number of Shares</i>	<i>% of issued Shares</i>	<i>Number of Shares</i>	<i>% of issued Shares</i>	<i>Number of Shares</i>	<i>% of issued Shares</i>
<i>Offeror and parties acting in concert with it</i>						
The Offeror	–	–	269,165,000	14.95	269,165,000	14.41
Mr. Yu Weiye	378,976,000	21.05	378,976,000	21.05	378,976,000	20.29
Sub-total of the Offeror and parties acting in concert with it	378,976,000	21.05	648,141,000	36.01	648,141,000	34.70
<i>Seller</i>						
Mr. Yang Jisheng	269,165,000	14.95	–	–	–	–
<i>Public Shareholders</i>						
Other public Shareholders	1,151,859,000	63.99	1,151,859,000	63.99	1,151,859,000	61.69
Optionholders	–	–	–	–	67,500,000	3.61
Total	<u>1,800,000,000</u>	<u>100.00</u>	<u>1,800,000,000</u>	<u>100.00</u>	<u>1,867,500,000</u>	<u>100.00</u>

INFORMATION ON THE GROUP

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.

Set out below is a summary of the financial information of the Group for the three years ended 30 June 2016:

	For the year ended 30 June		
	2016	2015	2014
	(audited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	269,438	202,192	193,098
(Loss)/Profit before tax	(51,462)	(25,863)	16,135
(Loss)/Profit attributable to the owners of the Company	<u>(51,058)</u>	<u>(27,205)</u>	<u>13,094</u>
	As at 30 June		
	2016	2015	2014
	(audited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net assets	<u>118,423</u>	<u>76,640</u>	<u>64,467</u>

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 4 July 2016 and does not carry on any business activity other than the holding of the Sale Shares and the Offer Shares to be acquired under the Share Offer, if any. As at the date of this joint announcement, Mr. Yu Weiye is the sole legal and beneficial owner of the Offeror and Mr. Yu Shaoheng, the son of Mr. Yu Weiye, is the sole director of the Offeror.

Mr. Yu Weiye, aged 57, served as executive director and chairman of Sky Forever Supply Chain Management Group Limited from 19 June 2015 to 7 July 2015 and compliance officer of Sky Forever Supply Chain Management Group Limited from 22 June 2015 to 7 July 2015. Sky Forever Supply Chain Management Group Limited is incorporated in Bermuda and the shares of which are listed on GEM (stock code: 8047). Its principal activities are the provision of supply chain management services and the provision of energy management business. As at the date of this joint announcement, Mr. Yu Weiye did not have any relationship with Sky Forever Supply Chain Management Group Limited. Mr. Yu Weiye is a member of the Shenzhen Committee of the People's Political Consultative Conference of China (深圳市政協委員), a vice president of Shenzhen General Chamber of Commerce (深圳市總商會副會長), and an honorary vice president of the Shenzhen General Chamber of Commerce (深圳市總商會榮譽副會長). He is currently a chairman and legal representative of Shenzhen Yi Li Group Co., Ltd. (深圳市易理集團有限公司) and Shenzhen Huayu Investment and Development Co., Ltd. (深圳市華宇投資發展有限公司), a chairman of Guangzhou Yita Investment Co., Ltd. (廣州易拓投資有限公司) and a vice-chairman of Longbai Chain Industry Investment Fund (龍柏連鎖產業投資基金).

Mr. Yu Shaoheng, aged 32, served as non-executive director of China New Energy Power Group Limited (中國新能源動力集團有限公司) (now known as Lamtex Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1041) from 14 March 2016 to 30 August 2016. He is currently the chairman of 陝西亨澤實業有限公司 (Shaanxi Hengze Industrial Corporation Limited*), which is principally engaged in investment in and development of energy, mining, environmental-preservation, real estate, and tourism businesses. He is also a director and shareholder of 陝西中昌新能源發展有限公司 (Shaanxi Zhong Chang New Energy Development Company Limited*), main line of which is business focuses on research and development of technologies on new energy, installation of pipe-line infrastructures, and sale of gas utensil. Furthermore, he is a supervisor of 烏蘭察布市科潔燃氣有限責任公司 (Ulaanchab Kejie Gas Limited Liability Company*), a company formed together by Mr. Yu Shaoheng and a subsidiary of the China National Petroleum Corporation, which principally carries on the following businesses: construction and re-construction of city gas infrastructures; design and engineering of expansion work and related installation and development management; transportation, sale, provision of aftersale service, research and development of technologies and provision of consultancy service in relation to city gas; construction and operation of various types of gas station; sale of petroleum and natural gas related equipment; and, construction, operation and management of compressed natural gas projects. During these few years, Mr. Yu Shaoheng and Ulaanchab Kejie Gas Limited Liability Company has devoted time in the development of clean energy business and both of them are members of the China Gas Association (中國城市燃氣協會).

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

As a result of the Share Acquisition and as at the date of this joint announcement, the Offeror and the parties acting in concert with it is the controlling Shareholder. Following the close of the Offers, the Offeror will continue to be the controlling Shareholder. The Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to discontinue the employment of the employees (save for changes in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

* *for identification purpose only*

The Offeror will, following the close of the Offer, conduct a review on the business activities/operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for the Company which may involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the Group's business growth and asset base as well as broadening its income stream. As at the date of this joint announcement, the Offeror has no plan, and has not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Group.

Proposed change of Board composition

The Board is currently made up of six Directors, comprising three executive Directors, being Mr. Ye Jingyuan (Chief Executive Officer), Ms. Ding Pingying and Mr. Tse Man Yiu, and three independent non-executive Directors, being Mr. Chui Chi Yun, Robert, Mr. Huang Ke and Mr. Kwong Tsz Ching, Jack.

The Offeror intends to nominate Mr. Yu Shaoheng as an executive Director, such appointment will not take effect earlier than the date of despatch of the Composite Document subject to compliance with the Takeovers Code and the GEM Listing Rules. An announcement will be published by the Company in this regard.

Public float and maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers. In the event that after the completion of the Offers, the public float of the Company falls below 25%, the Directors will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the GEM Listing Rules as soon as possible following the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than 25% of the Shares are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there is insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

GENERAL

Independent Board Committee and independent financial adviser

In accordance with the Takeovers Code, the Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chui Chi Yun, Robert, Mr. Huang Ke and Mr. Kwong Tsz Ching, Jack to advise the Independent Shareholders and the Optionholders in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document.

Composite Document

It is the intention of the Offeror and the Board that the offer document from the Offeror and the offeree board circular from the Company be combined in a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among other things, (i) details of the Offers (including the expected timetable and terms of the Offers); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders in relation to the Offers; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers, together with the relevant form of acceptance and transfer, will be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and agreed by the Executive and in compliance with the requirements of the Takeovers Code and other applicable regulations.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 27 September 2016 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 October 2016.

WARNING: THE OFFERS ARE CONDITIONAL. IF THE TOTAL NUMBER OF SHARES IN RESPECT OF WHICH, AT OR BEFORE THE OFFERS CLOSING DATE (OR SUCH OTHER TIME AS THE OFFEROR MAY, SUBJECT TO THE TAKEOVERS CODE, DECIDE), VALID ACCEPTANCES UNDER THE OFFERS TOGETHER WITH THE SHARES ACQUIRED OR AGREED TO BE ACQUIRED BEFORE OR DURING THE SHARE OFFER, WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING 50% OR LESS OF THE VOTING RIGHTS OF THE COMPANY, THE OFFERS WILL NOT BECOME UNCONDITIONAL AND WILL LAPSE.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Takeovers Code
“Board”	the board of Directors
“Company”	PPS International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM Board of the Stock Exchange
“Composite Document”	the composite offer document and offeree board circular in respect of the Offers to be despatched to the Shareholders and the Optionholders
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	Growth Enterprise Market
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising all the independent non-executive Directors, formed to advise the Independent Shareholders and the Optionholders in respect of the Offers
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it, including Mr. Yu Weiye and Mr. Yu Shaoheng
“Lamtex”	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, on behalf of the Offeror, for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting concert with it in accordance with the Takeovers Code
“Last Trading Day”	26 September 2016, being the last full trading day immediately prior to suspension of trading in the Shares pending the release of this joint announcement
“Offers”	the Share Offer and the Option Offer
“Offeror”	Wui Wo Enterprise Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Yu Weiye, a controlling Shareholder
“Offers Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offers, which is 21 calendar days after the posting of the Composite Document, or any subsequent offers closing date of the Offers in accordance with the Takeovers Code
“Offer Shares”	1,151,859,000 Shares that are subject to the Share Offer and “Offer Share” means any of them

“Optionholder(s)”	holder(s) of the Share Option(s)
“Option Offer”	the mandatory conditional cash offer made by Lamtex, on behalf of the Offeror, for cancellation of all outstanding Share Options in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer will be made, being HK\$0.001 per outstanding Share Option
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan)
“Royal Excalibur”	Royal Excalibur Corporate Finance Company Limited, the financial adviser of the Offeror in respect of the Offers, is a licensed corporation under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activity
“Sale Shares”	269,165,000 Shares acquired by the Offeror pursuant to the Share Acquisition, which represents approximately 14.95% of the total issued share capital of the Company as at the date of this joint announcement
“Seller”	Mr. Yang Jisheng, an ex-substantial Shareholder, the vendor of the Sale Shares and independent to the Offeror
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Offer”	the mandatory conditional cash offer made by Lamtex

“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.13 per Offer Share
“Share Option(s)”	option(s) to subscribe for Shares granted by the Company in accordance with the share option scheme adopted by the Company on 28 May 2013; the exercisable period for 30,000,000 options is from 14 December 2015 to 10 December 2025 and the exercisable period for 37,500,000 options is 16 December 2015 to 10 December 2025
“Share Acquisition”	acquisition of the Sale Shares by the Offeror from the Seller which was completed on 27 September 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“%”	per cent

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

By Order of the Board
Wui Wo Enterprise Limited
Yu Shaoheng
Director

Hong Kong, 3 October 2016

As at the date of this joint announcement, the Company has (i) three executive Directors, namely Mr. Ye Jingyuan (Chief Executive Officer), Ms. Ding Pingying and Mr. Tse Man Yiu; and (ii) three independent non-executive Directors, namely Mr. Chui Chi Yun, Robert, Mr. Huang Ke and Mr. Kwong Tsz Ching, Jack.

This joint 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 joint announcement (other than the information relating to the Offeror and parties acting in concert with it and the future intention of the Offeror regarding the Group) 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 joint announcement misleading.

The Director jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror, its associates and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror, its associates and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Yu Shaoheng.

The sole shareholder of the Offeror, Mr. Yu Weiye, and the sole director of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group, the Seller, their respective associates and parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group, the Seller, their respective associates and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at <http://www.hkpps.com.hk/en/investor-relations/>.

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