



寶聯控股有限公司

PPS International (Holdings) Ltd.



PPS INTERNATIONAL (HOLDINGS) LIMITED

寶聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

*Executive Directors:*

Mr. Ye Jingyuan (*Chief Executive Officer*)  
Ms. Ding Pingying  
Mr. Tse Man Yiu

*Independent Non-Executive Directors:*

Mr. Chui Chi Yun, Robert  
Mr. Huang Ke  
Mr. Kwong Tsz Ching, Jack

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Headquarter, Head Office and  
Principal Place of Business  
in Hong Kong:*

24/F., SUP Tower  
75-83 King's Road  
North Point  
Hong Kong

28 October 2016

*To the Independent Shareholders and Optionholders*

Dear Sir or Madam,

**MANDATORY CONDITIONAL CASH OFFERS BY  
LAMTEX SECURITIES LIMITED FOR AND 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 MR. YU WEIYE)**

**INTRODUCTION**

Reference is made to the Joint Announcement. 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.



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The completion of the Share Acquisition took place on 27 September 2016. Immediately following the Completion and as at the Latest Practicable Date, the number of Shares held by the Offeror and Mr. Yu Weiye, directly and indirectly, in aggregate had increased from 378,976,000 Shares to 648,141,000 Shares, representing an increase from approximately 21.05% to approximately 36.01% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, upon completion of the Share Acquisition, the Offeror is required to make the Share Offer to acquire all the issued Shares (other than those already owned by the Offeror and Mr. Yu Weiye) and the Option Offer to cancel all outstanding Share Options pursuant to Rule 26.1 and Rule 13.5 of the Takeovers Code.

The purpose of this Composite Document is to provide you with, among other things, (i) information relating to the Group, the Offeror and the Offers; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders and the Optionholders in respect of the terms of the Offers and as to acceptance of the Offers; and (iii) the letter from Nuada, the independent financial adviser, containing its advice and recommendation to the Independent Board Committee in relation to the Offers.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

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, has been formed to advise and make recommendation to the Independent Shareholders and the Optionholders in respect of the Offers.

Nuada has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers, in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

#### **THE OFFERS**

##### **Principal terms of the Offers**

Lamtex, on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offers on terms set out in this 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 is now being extended to all Independent Shareholders in accordance with the Takeovers Code. During the six months period prior to 26 September 2016, being the Last Trading Day, the Offeror and Mr. Yu Weiye had acquired 378,976,000 Shares and the highest trading price was HK\$0.13 per Share. 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. As at the Latest Practicable Date, there are 47,500,000 issued Share Options of the Company, all of which are exercisable at the exercise price of HK\$0.23. Should all the outstanding Share Options be exercised on or prior to the Offers Closing Date, an additional 47,500,000 Shares shall be subject to the Share Offer.

#### **Conditions 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 Offer Period, 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 Wednesday, 28 December 2016, being the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

Further details regarding the Offers, including the terms and procedures for acceptance of the Offers are set out in the "LETTER FROM LAMTEX" and Appendix I to this Composite Document and the accompanying Forms of Acceptance.

## INFORMATION ON THE GROUP

The Group is principally engaged in the provision of environmental services in Hong Kong and Shanghai, the PRC, which includes (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 and their tenants, residential complexes, shopping arcades, hotels 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 solutions which mainly involve collection, transportation and disposal of household waste, construction waste and trade waste and sales of recyclable waste such as paper, metal and plastic waste collected during 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.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) as at the Latest Practicable Date (assuming all outstanding 47,500,000 Share Options are exercised for illustration purpose only):

Shareholders	As at the Latest Practicable Date		As at the Latest Practicable Date (assuming all outstanding Share Options are exercised, for illustration purpose only)	
	Number of Shares	Approximate % of issued Shares	Number of Shares	Approximate % of issued Shares
<i>Offeror and parties acting in concert with it</i>				
Offeror	269,165,000	14.95	269,165,000	14.57
Mr. Yu Weiye	378,976,000	21.05	378,976,000	20.51
Sub-total	648,141,000	36.01	648,141,000	35.08
<i>Seller</i>				
Mr. Yang Jisheng	-	-	-	-
<i>Public Shareholders</i>				
Other public Shareholders	1,151,859,000	63.99	1,151,859,000	62.35
Optionholders	-	-	47,500,000	2.57
Total	1,800,000,000	100.00	1,847,500,000	100.00

Your attention is drawn to the Appendices II and IV of this Composite Document which contain further financial and general information of the Group.

## **INFORMATION ON THE OFFEROR**

Please refer to the section headed "INFORMATION ON THE OFFEROR" in the "LETTER FROM LAMTEX" contained in this Composite Document for detailed information on the Offeror.

## **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Please refer to the section headed "INTENTIONS OF THE OFFEROR REGARDING THE GROUP" in the "LETTER FROM LAMTEX" contained in this Composite Document for detailed information on the Offeror's intention on the business of the Group.

The Board notes that it is the intention of the Offeror to continue with the existing principal businesses of the Group and the Offeror does not intend 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.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

As mentioned in the "LETTER FROM LAMTEX", 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 Offeror and 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.

The Offeror intends the Company to remain listed on the Stock Exchange. The director of the Offeror and the new Director to be appointed to the Board of the Company jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

## **RECOMMENDATION**

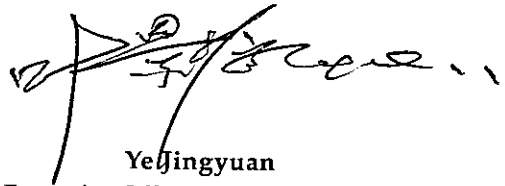
Your attention is drawn to the "LETTER FROM THE INDEPENDENT BOARD COMMITTEE" on pages 24 to 25 of this Composite Document and the "LETTER FROM THE INDEPENDENT FINANCIAL ADVISER" on pages 26 to 46 of this Composite Document, which respectively sets out the recommendation to the Independent Shareholders and Optionholders and the advice and recommendation to the Independent Board Committee in respect of the Offers. Independent Shareholders and Optionholders should read these letters in conjunction with this Composite Document carefully before taking any action in respect of the Offers.

## ADDITIONAL INFORMATION

You are advised to read this Composite Document together with the accompanying Forms of Acceptance in respect of the acceptance and settlement procedures of the Offers. Your attention is also drawn to the additional information contained in the appendices to this Composite Document, in particular, the injunction order against a Shareholder as set out in the paragraph headed "6. Litigation" in Appendix IV to this Composite Document.

In considering what action to take in connection with the Offers, you should also consider your own tax positions, if any, and in case of doubt, consult your professional advisers.

Yours faithfully,  
By order of the Board  
**PPS International (Holdings) Limited**

A handwritten signature in black ink, appearing to be 'Ye Jingyuan', written in a cursive style.

**Ye Jingyuan**  
*Chief Executive Officer and Executive Director*