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PPS INTERNATIONAL (HOLDINGS) LIMITED

寶聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 13 May 2020 (after trading hours of the Stock Exchange), the Lender entered into the Loan Agreement with the Borrower, pursuant to which, the Lender has conditionally agreed to the Borrower the Loan in the amount of HK\$5,400,000 which is interest bearing at a rate of 22% per annum and repayable on 15 July 2020.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated under Rule 19.07 of the GEM Listing Rules) in respect of the grant of the Loan are more than 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 19 of the GEM Listing Rules.

PROVISION FOR FINANCIAL ASSISTANCE

The Board is pleased to announce that on 13 May 2020 (after trading hours of the Stock Exchange), the Lender entered into the Loan Agreement with the Borrower, pursuant to which, the Lender has conditionally agreed to the Borrower the Loan in the amount of HK\$5,400,000 which is interest bearing at a rate of 22% per annum and repayable on 15 July 2020.

Summarised below are the principal terms of the Loan Agreement:

THE LOAN AGREEMENT

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|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date: | 13 May 2020 |
| Lender: | Union Finance Limited, an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance. |
| Borrower: | Hong Kong Resources Holdings Company Limited, a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange. |
| Loan amount: | HK\$5,400,000 |
| Interest rate: | 22% per annum |
| Maturity date: | 15 July 2020 |
| Repayment: | <p>The Borrower shall pay interest accrued on the Loan on a monthly basis and shall repay the total outstanding principal amount of the Loan together with any outstanding interest accrued thereon on the Maturity Date.</p> <p>The Borrower may make earlier repayment in whole or in part of the Loan if it has given a not less than 3 Business Days' prior written notice to the Lender.</p> |
| Condition precedent: | The making of the Loan under the Loan Agreement is conditional that all necessary consents and approvals required to be obtained on part of the Borrower in respect of the grant of the Loan Agreement thereby have been obtained. |
| Purpose: | The Loan is drawn by the Borrower to repay an existing loan by the Borrower of the Lender. |

INFORMATION OF THE BORROWER

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owners are Independent Third Party.

The Borrower is principally engaged in trademark licensing and the retailing of gold and jewelry products in Hong Kong, Macau and Mainland China and its shares are listed on the Main Board of the Stock Exchange.

On 2 October 2019, the Borrower received a statutory demand from Luk Fook 3D Management Company Limited (“**Luk Fook 3DM**” or the “**Petitioner**”) demanding repayment of outstanding sum of HK\$58,227,917.67 under the convertible bonds issued by the Borrower to Luk Fook 3DM which had expired on 9 September 2019.

The Borrower has received a winding-up petition (the “**Petition**”) filed by the Petitioner against the Borrower in the Supreme Court of Bermuda.

As of the date of this announcement, the hearing of the Petition is still being adjourned by the Supreme Court of Bermuda due to the outbreak of the coronavirus in Bermuda.

INFORMATION OF THE GROUP AND THE LENDER

The Group is principally engaged in (i) the provision of environmental cleaning services and office cleaning services; and (ii) the money lending services.

The Lender is an indirect wholly-owned subsidiary of the Company and is a holder of money lender license under the Money Lenders Ordinance. The grant of the Loan is carried out as part of the ordinary and usual course of business of the Lender and will bring in interest income to the Lender and the Group.

REASONS AND BENEFITS FOR ENTERING INTO THE LOAN AGREEMENT

The grant of the Loan is made in the ordinary course of the Group’s money lending services. The terms of the Loan Agreement have been negotiated on an arm’s length basis between the Lender and the Borrower.

To assist the Borrower in negotiating with its shareholders and potential investors for providing extra funding to the Borrower and with the Petitioner for the relief of the Petition, the Directors consider that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole having considered a higher possibility of recovery of the Loan by grant of the Loan Agreement and a solid repayment history of the loans and interests by the Borrower to the Lender in the past.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated under Rule 19.07 of the GEM Listing Rules) in respect of the grant of the Loan are more than 5% but less than 25%, the grant of the Loan (as extended by the Extension Agreement) constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

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|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board” | the board of Directors of the Company |
| “Borrower” | Hong Kong Resources Holdings Company Limited, a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange |
| “Business Day(s)” | a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which commercial banks are generally open for business in Hong Kong |
| “Company” | PPS International (Holdings) Limited, a company incorporated in the Caymans Islands with limited liability, the issued Shares of which are listed on GEM |
| “connected person(s)” | has the meaning ascribed to it under the GEM Listing Rules |
| “Director(s)” | director(s) of the Company |
| “GEM” | the GEM of the Stock Exchange |
| “GEM Listing Rules” | Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | parties which are not connected persons of the Company (as defined in the GEM Listing Rules) and are independent of and not connected with the Company and its connected persons |
| “Lender” | Union Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, being the lender for the Loans |
| “Loan” | a term loan in the principal amount of HK\$5,400,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement |

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|------------------|----------------------------------------------------------------------------------------------------------------------------|
| “Loan Agreement” | the loan agreement dated 13 May 2020 entered into between the Lender and the Borrower in relation to the grant of the Loan |
| “Maturity Date” | 15 July 2020 |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company as at the date of this announcement |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | percentage |

By order of the Board
PPS International (Holdings) Limited
Yu Shaoheng
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 13 May 2020

As at the date of this announcement, the Board of the Company comprises two executive Directors, Mr. Yu Shaoheng and Mr. Lai Tin Ming, and three independent non-executive Directors, Mr. Kwong Tsz Ching, Jack, Mr. Wong Hiu Fong and Mr. Meng Enhai.

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 GEM 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.ppsinholdings.com.