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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 20 August 2020 (after trading hours of the Stock Exchange), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, an Independent Third Party, pursuant to which the Lender has conditionally agreed to grant to the Borrower the Mortgage Loan in the amount of HK\$8,000,000 which is repayable on the date falling 6 months from the drawdown date of the Mortgage Loan and secured by the Guarantee and the First Mortgage.

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 Mortgage Loan are more than 5% but less than 25%, the grant of the Mortgage 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.

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The principal terms and conditions of the Mortgage Loan Agreement are set out below.

THE MORTGAGE LOAN AGREEMENT

- Date: 20 August 2020
- Drawdown date: The date upon all conditions precedent to the grant of the Mortgage Loan have been fulfilled and completed.
- 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: Mr. Cheung Lin, an Independent Third Party
- Mortgage Loan amount: HK\$8,000,000
- Interest: Part of the Mortgage Loan amounting to HK\$2,500,000:
- No interest shall accrue from the drawdown date to 12 November 2020; and
 - Interest shall accrue at 24% per annum from 13 November 2020 to the Maturity Date
- Part of the Mortgage Loan amounting to HK\$5,500,000 :
- Interest shall accrue at 14% per annum from the drawdown date to the Maturity Date
- Default Interest: If the borrower fails to pay part of the Mortgage Loan amounting to HK\$2,500,000 on the Maturity Date, interest shall accrue on the unpaid sum from the Maturity date to the date of the actual payment at 60% per annum.
- If the borrower fails to pay part of the Mortgage Loan amounting to HK\$5,500,000 on the Maturity Date, interest shall accrue on the unpaid sum from the Maturity date to the date of the actual payment at 28% per annum.
- Term: 6 months commencing from the drawdown date of the Mortgage Loan.
- Collateral Security: A first legal charge over a residential property in Hong Kong given by the Borrower in favour of the Lender in respect of all monies and obligations owing by the Borrower to the Lender under the Mortgage Loan Agreement.

Guarantee: The Mortgage Loan is secured by the Guarantee executed by the Guarantor in favour of the Lender for the repayment of the Mortgage Loan and such other sums payable by the Borrower under the Mortgage Loan Agreement.

Repayment: The Borrower shall pay interest accrued on the outstanding balance of the Mortgage Loan on a monthly basis and shall repay the total outstanding balance of the Mortgage Loan together with any outstanding interest accrued thereon on the Maturity Date.

The Borrower may make earlier repayment in whole or in part of the outstanding balance of the Mortgage Loan if it has given a not less than 1 month's prior written notice to the Lender.

The Lender may request earlier repayment in whole or in part of the outstanding balance of the Mortgage Loan if it has given a not less than 1 month's prior written notice to the Borrower.

- Conditions precedent:
- All necessary consents, approvals and registration required to be obtained and completed in respect of the First Mortgage;
 - Duly execution of the Guarantee by the Guarantor;
 - The Lender being reasonably satisfied with the results of the due diligence review of the legal status of the Property to be conducted;
 - The obtaining of all original documents in relation to the Property, including but not limited to all deeds of assignment; and
 - All existing mortgage charges over the Property have been fully released.

The Mortgage Loan Agreement shall be automatically lapsed and ceased to have any effect if all conditions precedent have not been fulfilled and completed on 4 September 2020 or such other dates as agreed by the Lender.

INFORMATION OF THE BORROWER AND THE GUARANTOR

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Borrower and the Guarantor is an Independent Third Party.

The Borrower and the Guarantor are business person and have solid financial background. The Guarantor is the spouse of the Borrower.

INFORMATION OF THE GROUP AND THE LENDER

The Group is principally engaged in the provision of (i) environmental services area and office cleaning services; and (ii) 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 Mortgage 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 MORTGAGE LOAN AGREEMENT

The terms of the Mortgage Loan Agreement (including the interest rate) are negotiated on an arm's length basis between the Lender and the Borrower on normal commercial terms.

The Directors consider that the terms of the Mortgage Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole having considered the financial background of the Borrower and the Guarantor, the First Mortgage and the stable interest income to be generated to the Group.

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“Borrower”	Mr. Cheung Lin, an Independent Third Party

“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
“First Mortgage”	a first legal charge over the Property given by the Borrower in favour of the Lender in respect of all monies and obligations owing by the Borrower to the Lender under the Mortgage Loan Agreement
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee agreement executed by the Guarantor in favour of the Lender guaranteeing the obligations of the Borrower under the Mortgage Loan Agreement
“Guarantor”	Ms. Cheng Wai Pan, an Independent Third Party and the spouse of the Borrower
“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 under the Mortgage Loan Agreement

“Maturity Date”	the date that is the expiry of 6 months from the drawdown date of the Mortgage Loan
“Mortgage Loan”	a mortgage loan in the amount of HK\$8,000,000 granted by the Lender to the Borrower pursuant to the terms of the Mortgage Loan Agreement
“Mortgage Loan Agreement”	the mortgage loan agreement dated 20 August 2020 entered into between the Lender and the Borrower in relation to the grant of the Mortgage Loan
“Property”	a residential property in Hong Kong owned by the Borrower
“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
Chief Executive Officer and Executive Director

Hong Kong, 20 August 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. Wang Cui 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.