PPS INTERNATIONAL (HOLDINGS) LIMITED
寶聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8201)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of PPS International (Holdings) Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2013

The board of Directors (the "Board") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2013, together with the unaudited comparative figures for the corresponding period in 2012, as follows:

		Six months ended 31 December		**Three months ended 31 December**	
		2013	2012	**2013**	2012
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	*4*	**98,935**	93,183	**47,728**	47,983
Cost of services		**(83,207)**	(78,896)	**(40,299)**	(40,840)
Gross profit		**15,728**	14,287	**7,429**	7,143
Other income and gains		**310**	94	**295**	90
Selling and marketing expenses		**(489)**	(228)	**(288)**	(105)
Administrative expenses		**(6,757)**	(5,652)	**(3,491)**	(2,947)
Listing expenses		**–**	(3,327)	**–**	(924)
Profit from operations		**8,792**	5,174	**3,945**	3,257
Finance costs		**(332)**	(318)	**(175)**	(157)
Profit before taxation	*5*	**8,460**	4,856	**3,770**	3,100
Income tax expenses	*6*	**(1,633)**	(1,863)	**(640)**	(1,149)
Profit for the period attributable to owners of the Company		**6,827**	2,993	**3,130**	1,951
Other comprehensive income for the period, net of tax		**–**	–	**–**	–
Total comprehensive income for the period attributable to owners of the Company		**6,827**	2,993	**3,130**	1,951
Earnings per share – Basic and diluted (HK cent)	*8*	**0.68**	0.40	**0.31**	0.26

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	Notes	**As at 31 December 2013 *HK$'000* (Unaudited)**	As at 30 June 2013 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment	*9*	**13,449**	13,080
Deferred tax asset		**12**	12
Restricted bank deposits		**2,386**	6,842
		15,847	19,934
Current assets			
Inventories		**88**	56
Trade receivables	*10*	**36,510**	37,918
Deposits, prepayments and other receivables		**2,416**	6,474
Restricted bank deposits		**6,406**	2,010
Fixed deposits		**1,208**	1,133
Cash and cash equivalents		**31,087**	28,465
		77,715	76,056
Current liabilities			
Trade payables	*11*	**6,316**	5,967
Accruals, deposits received and other payables		**19,393**	26,305
Bank borrowings	*12*	**985**	–
Obligations under finance leases	*13*	**4,352**	4,589
Taxation		**368**	2,369
		31,414	39,230
Net current assets		**46,301**	36,826
Total assets less current liabilities		**62,148**	56,760
Non-current liabilities			
Bank borrowings	*12*	**778**	–
Obligations under finance leases	*13*	**1,741**	2,351
Deferred tax liability		**1,429**	1,036
		3,948	3,387
Net assets		**58,200**	53,373
Equity			
Capital and reserves			
Share capital	*14*	**1,000**	1,000
Reserves		**57,200**	52,373
		58,200	53,373

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2013

	Attributable to owners of the Company					
	Share capital *HK$'000*	Share premium *HK$'000*	Other reserve *HK$'000* *(Note 1)*	Contribution surplus *HK$'000* *(Note 2)*	Retained earnings *HK$'000*	Total equity *HK$'000*
As at 1 July 2013	**1,000**	**24,360**	**1,000**	**21,400**	**5,613**	**53,373**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**–**	**6,827**	**6,827**
Final dividend for the year ended 30 June 2013	**–**	**(2,000)**	**–**	**–**	**–**	**(2,000)**
As at 31 December 2013 (unaudited)	**1,000**	**22,360**	**1,000**	**21,400**	**12,440**	**58,200**
As at 1 July 2012	1,000	–	–	–	2,514	3,514
Profit and total comprehensive income for the period	–	–	–	–	2,993	2,993
As at 31 December 2012 (unaudited)	1,000	–	–	–	5,507	6,507

Notes:

1. The amount represented the difference between the nominal amount of shares issued by the Company and the aggregate amount of share capital of subsidiaries acquired under common control pursuant to the reorganisation.

2. The amount represented the amounts due to shareholders capitalised before the listing of the Company's shares on GEM of the Stock Exchange.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2013

	Six months ended 31 December	
	2013	2012
	HK$'000	*HK$'000*
	(Unaudited)	*(Unaudited)*
Net cash generated from operating activities	**5,446**	6,208
Net cash used in investing activities	**(2,609)**	(5,303)
Net cash generated from financing activities	**(215)**	(3,233)
Net increase in cash and cash equivalents	**2,622**	(2,328)
Cash and cash equivalents at the beginning of period	**28,465**	22,576
Cash and cash equivalents at the end of period	**31,087**	20,248

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2013

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 31 May 2012. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business is located at Unit No. 503C, Block B, Sea View Estate, 2-8 Watson Road, North Point, Hong Kong.

The Company had its primary listing on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 June 2013. The Company's principal activity is investment holding and the principal activities of its principal subsidiaries are the provision of environmental cleaning services. In the opinion of the Directors, the ultimate holding company of the Company is Viva Future Group Limited, which was incorporated in the British Virgin Island.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current period, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
HKAS 12 (Amendments)	Amendments to HKAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets

The application of the amendments to HKFRSs in the current period has no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in the Group's unaudited condensed consolidated financial statements.

3. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 31 December 2013 (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Financial Reporting Standards which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") 34 "Interim Financial Reporting" and Interpretations ("Ints") issued by the HKICPA, accounting principles generally accepted in Hong Kong and applicable disclosures required by the Hong Kong Companies Ordinance and by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The accounting policies and basis of preparation adopted in the preparation of the Interim Financial Statements are consistent with those adopted in the annual financial statements for the year ended 30 June 2013.

The functional currency of the Company and its subsidiaries is HK$. The consolidated financial statements are presented in HK$ which is the Group's presentation currency. This is also the currency of the primary economic environment in which the Group operates.

The Interim Financial Statements has not been audited by the Company's independent auditors.

4. REVENUE

The Group currently operates in one operating segment which is the provision of environmental services. A single management team reports to the Directors (being the chief operating decision-maker) who allocate resources and assess performance based on the consolidated result of the single business engaged in the provision of cleaning services for the six months ended 31 December 2013 and 2012 comprehensively. Accordingly, the Group does not present separate segment information.

Revenue, which is also the Group's turnover, represents the value of services rendered during the period.

	Six months ended 31 December		**Three months ended 31 December**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Environmental services income	**98,935**	93,183	**47,728**	47,983

No geographical information is provided as the Group's revenue all arises from Hong Kong and the Group's identifiable assets and liabilities are mainly located in Hong Kong.

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	Six months ended 31 December		**Three months ended 31 December**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Depreciation	**2,514**	2,294	**1,323**	1,113
Cost of consumable goods	**903**	1,004	**719**	256
Gain on disposal of property, plant and equipment	**232**	(40)	**232**	(40)
Staff costs including Directors' emoluments:				
Salaries and wages	**45,359**	50,660	**21,330**	24,848
Long service payment	**22**	80	**–**	69
Allowances and others	**68**	85	**17**	64
Contributions to defined contribution retirement plans	**1,809**	1,993	**961**	1,088
	47,258	52,818	**22,308**	26,069
Minimum lease payments under operating leases	**1,122**	490	**558**	244

6. INCOME TAX EXPENSES

The income tax expenses for the periods ended 31 December 2013 and 2012 represent Hong Kong Profits Tax which is calculated at 16.5% on the estimated assessable profit of the Group.

The charge comprises:

	Six months ended 31 December		Three months ended 31 December	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current tax:				
Hong Kong Profits Tax	**1,240**	1,305	**403**	442
Deferred tax:				
Current period charge	**393**	558	**237**	707
Income tax expenses	**1,633**	1,863	**640**	1,149

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 31 December 2013 (2012: HK$Nil).

8. EARNINGS PER SHARE

The calculations of basic earnings per share for the three months and six months ended 31 December 2013 is based on the unaudited earnings of approximately HK$3,130,000 and approximately HK$6,827,000 attributable to owners of the Company for each of the three months and six months ended 31 December 2013 respectively (three months and six months ended 31 December 2012: approximately HK$1,951,000 and approximately HK$2,993,000 respectively) and the weighted average number of 1,000,000,000 shares in issue for both the three months and six months ended 31 December 2013 after taking into account of share subdivision (weighted average number of shares in issue for both the three months and six months ended 31 December 2012 is restated to 750,000,000 shares).

There were no dilutive potential ordinary shares in existence during the three months and six months ended 31 December 2013 and 2012; therefore the diluted earnings per share amounts were the same as the basic earnings per share.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2013, the Group acquired items of property, plant and equipment with aggregate cost of approximately HK$3,204,000 (six months ended 31 December 2012: approximately HK$4,328,000). During the six months ended 31 December 2013, items of property, plant and equipment with carrying value of approximately HK$322,000 were disposed of (six months ended 31 December 2012: approximately HK$Nil).

10. TRADE RECEIVABLES

The following is an ageing analysis of trade receivables, presented based on the invoice date and net of allowance for doubtful debts:

	As at 31 December 2013 *HK$'000* **(Unaudited)**	As at 30 June 2013 *HK$'000* (Audited)
0-30 days	**20,901**	23,807
31-60 days	**9,943**	7,463
61-90 days	**2,534**	4,787
Over 90 days	**3,132**	1,861
	36,510	37,918

Generally no credit period is granted to the Group's customers. Environmental services fee are due upon the presentation of the invoices.

The Directors consider that no provision for impairment shall be made to trade receivables that are past due as the credit quality of the debtors are sound.

11. TRADE PAYABLES

The following is an ageing analysis of trade payables:

	As at 31 December 2013 *HK$'000* **(Unaudited)**	As at 30 June 2013 *HK$'000* (Audited)
0-30 days	**4,651**	5,462
31-60 days	**935**	208
61-90 days	**262**	73
Over 90 days	**468**	224
	6,316	5,967

The credit period on purchases of certain goods and services ranged from due on presentation of invoice to 60 days.

12. BANK BORROWINGS

During the six months ended 31 December 2013, the Group obtained an unsecured term loan from a financial institution containing a repayment on demand clause with original loan amount of HK$2,000,000 that repayable within 2 years. As at 31 December 2013, the outstanding amount of the term loan was HK$1.8 million.

13. OBLIGATIONS UNDER FINANCE LEASES

Leasing arrangements

The Group leased certain of its motor vehicles under finance leases. As at 31 December 2013, the amounts payable under finance leases within one year was HK$4.4 million, in the second to fifth year inclusive, was HK$1.7 million.

14. SHARE CAPITAL

	Number of shares	**Nominal value**
		HK$
Authorised:		
Ordinary shares of HK$0.01 each		
As at 30 June 2013 and 1 July 2013	10,000,000,000	100,000,000
Increased by share subdivision (Note)	90,000,000,000	–
Ordinary shares of HK$0.001 each		
As at 31 December 2013 (Unaudited)	100,000,000,000	100,000,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
As at 30 June 2013 and 1 July 2013	100,000,000	1,000,000
Increased by share subdivision (Note)	900,000,000	–
Ordinary shares of HK$0.001 each		
As at 31 December 2013 (Unaudited)	1,000,000,000	1,000,000

Note:

On 23 December 2013, the Company conducted a 10-for-1 share subdivision. Each issued and unissued ordinary share of HK$0.01 of the Company was subdivided into 10 ordinary shares of HK$0.001 each.

15. FINANCIAL INSTRUMENT

(a) Fair values of financial assets and liabilities measured at amortised costs

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in condensed consolidated financial statements approximately their fair values.

(b) Financial instruments carried at fair value

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period.

There were no transfers between level 1 and level 2 for both periods.

16. CONTINGENT LIABILITIES

At the end of each reporting period, the Group did not have any significant contingent liabilities.

17. CAPITAL COMMITMENTS

At the end of each reporting period, the Group did not have any capital commitments outstanding.

18. CONNECTED TRANSACTIONS

None of the Directors, controlling shareholders and their respective associates has any material related party transaction with the Group during the reporting period.

19. LITIGATION

During the reporting period, the Group may from time to time to be involved in litigation concerning personal injuries by its employees or third party claimants. In the opinion of the Directors, all potential liabilities are accounted for the consolidated financial statements and covered by insurance protection.

20. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is principally engaged in the provision of environmental services which include the provision of cleaning and related services for (i) public area and office cleaning services which involve 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 trams, ferries, piers and depots; (ii) overnight kitchen cleaning services mainly at 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) housekeeping services where we provide housekeeping services to carry out professional daily housekeeping and cleaning services at local boutique hotels, hostels and serviced apartments; and (viii) secure and confidential waste destruction for commercial clients.

BUSINESS REVIEW

The Group successfully renewed the waste management and disposal services at one of the major convention and exhibition venues in Hong Kong. With this secured contract and the rising demand for waste management and disposal services, the Group expanded its fleets by purchasing two additional specialized vehicles of a 9 tonnes tail lift/tipper truck and a 24 tonnes hook lift truck.

We continued to reorganize our transportation team by deploying the newly acquired trucks to collect recyclable waste. We would monitor the market conditions to ensure we have the best qualified drivers and highest service quality.

On the tenants and one-off contracts, the Group continues to review our service scope and pricing with our customers on a periodic basis to promote our other environmental services and negotiate more favorable pricing. In addition, as competition increases in the housekeeping market not only for contracts but also for the demand of qualified room attendants, the Group would concentrate its resources on bringing in higher margin contracts rather than focusing on increasing the number of rooms served. By consolidating our resources, our service quality, reputation and profit margin may strengthen as the Hong Kong tourist industry and demand for housekeeping services grow.

The Group has started to promote its secure and confidential waste destruction services to our existing commercial clients. We believe by leveraging our relationship with existing customers, it may allow us to build up a client base with lower administration and marketing costs which may achieve a higher profit margin.

Service Contracts

Contractor contracts are service contracts entered into mainly with property management companies, owners of various building premises, operators of hotels and public transportation facilities as well as government and academic institutions and are awarded to us through competitive tendering.

OUTLOOK

Looking forward, the Group would consolidate our resources to focus on high value customers to bring in additional revenue by cross-selling other cleaning and waste management services to our existing customers. We believe this strategy may not only improve our revenue per customer but also increase our profit margin as we could leverage our existing manpower to perform services at location where we already have presence.

FINANCIAL REVIEW

Revenue

During the six months ended 31 December 2013, the Group reported a revenue of approximately HK$98.9 million (2012: approximately HK$93.2 million), representing an increase of approximately 6.2% mainly due to upward adjustment of prices for some contracts to cope with increased service costs and statutory minimum wages.

Gross Profit

The gross profit of the Group for the six months ended 31 December 2013 increased by approximately 10.1% to approximately HK$15.7 million (2012: approximately HK$14.3 million) representing a gross profit margin of approximately 15.8% (2012: 15.3%).

Profit attributable to owners of the Company

The Group's unaudited profit attributable to owners of the Company for the six months ended 31 December 2013 increased by 128.1% to approximately HK$6.8 million (2012: approximately HK$3.0 million, after deduction of listing expenses amounted to approximately HK$3.3 million). If without the listing expenses, the unaudited profit attributable to owners of the Company for the six months ended 31 December 2013 would represent an increase of 8.0% from that of the six months ended 31 December 2012.

Capital Structure

The share capital of the Group comprises only ordinary shares. The capital structure of the Group mainly consists of borrowings from bank and finance leases; and equity attributable to owners of the Group, comprising issued share capital and retained earnings respectively.

The Directors review the capital structure regularly, taking into account the cost of capital and the risks associated with the capital. The Group considers the cost of capital and the risks associated with each class of capital to monitor its capital structure on the basis of a gearing ratio. This ratio is expressed as a percentage of total borrowings over the total equity.

Liquidity and Financial Resources

During the six months ended 31 December 2013, the Group generally financed its operations through internally generated cash flows.

As at 31 December 2013, the Group had net current assets of approximately HK$46.2 million (30 June 2013: approximately HK$36.8 million), including cash balance of approximately HK$31.1 million (30 June 2013: approximately HK$28.5 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 2.5 as at 31 December 2013 (30 June 2013: approximately 1.9) which remains healthy. The Board considers that the Group's financial resources are sufficient for its operation.

If necessary, the Board would consider either debt or equity financing, or both, for business development, especially when appropriate business opportunities are identified and market conditions are favourable.

Gearing Ratio

The gearing ratio, which is based on the total amounts of total bank borrowings and obligations under finance leases divided by total equity, was approximately 13.5% as at 31 December 2013 (30 June 2013: approximately 13.0%). The increase was mainly resulted from increase in bank borrowings.

During the six months ended 31 December 2013, the Group obtained an unsecured term loan from our principal banker for the purpose of maintaining a good credit relationship, with original loan amount of HK$2 million that repayable within 2 years with average interest rate of 6%.

Charges on the Group's Assets

As at 31 December 2013, the Company had obligations under finance leases of approximately HK$6.1 million, of which approximately HK$4.4 million was repayable within one year. Such obligations under finance leases were secured by the relevant motor vehicles.

Foreign Exchange Exposure

The Group's foreign currency exposure is limited as most of its transactions, assets and liabilities are denominated in Hong Kong dollars.

Information on Employees

As at 31 December 2013, the Group had 581 permanent staff in Hong Kong. Total staff costs and related expenses (including Directors' remuneration) for the six months ended 31 December 2013 decreased by approximately 10.5% to HK$47.3 million over that for the same period of the previous year. The decrease was mainly due to more sub-contractors were employed to substitute the site-staff.

USE OF PROCEEDS

During the six months ended 31 December 2013, the net proceeds from the Placing had been applied as follows:

	Planned use of proceeds as stated in the Prospectus during the period from 17 June 2013 to 31 December 2013	Actual use of proceeds during the six months ended 31 December 2013
	HK$'000	*HK$'000*
Continue to expand waste management and disposal team	1,669	2,269
Strengthen our established position in the environmental services industry in Hong Kong	1,783	649
Continue to expand and develop our services within the hospitality sector	1,072	230
Expand the range of our service offerings	523	–
	5,047	3,148

Notes:

(a) The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

(b) The unused net proceeds as at 31 December 2013 have been placed as interest bearing deposits with licensed bank in Hong Kong.

Comparison of Business Plan with Actual Business Progress

The following is a comparison of the Group's business plan as set out in the Company's prospectus dated 7 June 2013 (the "Prospectus") with actual business progress for the period ended 31 December 2013.

Business plan up to 31 December 2013 as set out in the Prospectus	Actual business progress up to 31 December 2013	
Business strategy	**Implementation plan**	
Continue to expand our waste management and disposal team	– To acquire additional specialized vehicles and cleaning equipment – To recruit additional technical staff	**Note 1**
Strengthen our established position in the environmental services industry in Hong Kong	– To advertise our services on online platform – To advertise our services in magazines and newspapers – To continue to promote our services by direct mail and distribution of leaflet and brochure – To improve the existing website of the Company with better navigation, design and photo – To employ additional staff for the contracting team – To recruit additional senior operation staff – To purchase additional and upgrade our equipment and machinery and information technology system to enhance our operational efficiency	**Note 2**

Business plan up to 31 December 2013 as set out in the Prospectus	Actual business progress up to 31 December 2013	
Business strategy	**Implementation plan**	
Continue to expand and develop our services within the hospitality sector	– To provide training to our staff and enhance facilities of our training center – To promote our service to our target customer within the hospitality sector – To recruit more room attendants	**Note 3**
Expand the range of our service offerings	– To acquire waste shredding machines – To recruit staff and provide training on waste separation and recycling – To participate in events held by environmental friendly organisations	**Note 4**

Notes:

1. The Group is taking a strategic move to further utilize its competitive edge in the waste management service by acquiring two specialized vehicles of a 9 tonnes tail lift/tipper truck and a 24 tonnes hook lift truck. The 9 tonnes tail lift/tipper truck is deployed to collect recyclable items such as paper, metal and plastic waste collected during our operations for resale and the 24 tonnes hook lift truck is deployed for the operation at one of the major convention and exhibition venues in Hong Kong after the Group successfully renewed its contract.

   To better maintain the operation cost of our waste management service, the Group is in the process of hiring an additional fleet supervisor who can also perform minor maintenance to our vehicles.

2. The Group has expanded our advertisements by engaging a leading online search engine company to promote the Group's cleaning and waste management services. Regular advertising and marketing campaigns were carried out through the use of direct mail and distribution of leaflet and brochure. The Group has upgraded to a new email and file server to enhance our operational efficiency. We have hired an additional contracting staff to promote our services and renew our service quotation in order to enhance our profit margin. Finally, a senior operation manager was hired to improve our operation efficiency and service quality by providing additional internal training and product knowledge to our front line staff.

3. The Group has hired an additional 11 room attendants for our housekeeping operations. As the competition for housekeeping market increases, the Group will focus on bringing in higher margin contracts rather than focusing on increasing the number of rooms served.

4. The Group has started to promote its secure and confidential waste destruction services to our existing commercial clients. We believe by leveraging our relationship with existing customers, it may allow us to build up a client base with lower administration and marketing costs.

Acquisition/Disposal and Significant Investments

The Group did not make any material acquisition or disposal of subsidiaries during the six months ended 31 December 2013.

Communication with Shareholders

The Board communicates with the shareholders through the annual general meetings and special general meetings. In compliance with the requirements of GEM Listing Rules, the Company issued regular reports, announcements, circulars and notice of general meetings. Shareholders can get the latest information of the Company through these publications of the Company.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 31 December 2013.

DIRECTORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at 31 December 2013, none of the Directors and the chief executive and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within of the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules.

Name of Director	Name of the company in which interest is held	Capacity	Total number of ordinary shares	Long/ short position	Percentage of total issued share capital in the Company
Mr. Fan Shek Cheong, Allan	The Company	Interest of a controlled corporation *(Note 1)*	300,000,000	Long	30.0%
			225,000,000	Short	22.5%
Ms. Fan Sheung Ting, Maria	The Company	Interest of a controlled corporation *(Note 2)*	175,000,000	Long	17.5%
Mr. Wong Yin Jun, Samuel	The Company	Family interest *(Note 3)*	175,000,000	Long	17.5%

Notes:

1. Mr. Fan Shek Cheong, Allan beneficially owns 100% equity interest in Viva Future Group Limited that acquired the shares in the Company. Therefore, Mr. Fan Shek Cheong, Allan is deemed to be interested in the shares held by Viva Future Group Limited. On 19 December 2013, Viva Future Group Limited had charged 225,000,000 shares out of 525,000,000 shares as security in favour of Mr. Fong Shing Kwong, Michael for a facility granted to Viva Future Group Limited.

2. Ms. Fan Sheung Ting, Maria beneficially owns 100% equity interest in Renowned Ventures Limited that acquired the shares in the Company. Therefore, Ms. Fan Sheung Ting, Maria is deemed to be interested in all the shares held by Renowned Ventures Limited.

3. Mr. Wong Yin Jun, Samuel is the spouse of Ms. Fan Sheung Ting, Maria. Accordingly, he is deemed to be interested in the shares owned/held by Ms. Fan Sheung Ting, Maria (by herself and through Renowned Ventures Limited) by virtue of the SFO.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 31 December 2013, no person other than certain Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Name of Shareholder	Name of the company in which interest is held	Capacity	Total number of ordinary shares	Long/ short position	Percentage of total issued share capital in the Company
Viva Future Group Limited	The Company	Beneficial owner *(Note 1)*	300,000,000	Long	30.0%
			225,000,000	Short	22.5%
Renowned Ventures Limited	The Company	Beneficial owner *(Note 2)*	175,000,000	Long	17.5%
Mr. Fong Shing Kwong, Michael	The Company	Beneficial owner *(Note 1)*	225,000,000	Long	22.5%
Ms. Chong Suk To, Ida	The Company	Family interest *(Note 3)*	300,000,000	Long	30.0%
			225,000,000	Short	22.5%
Ms. Sheung Lay Lay, Lillian	The Company	Spouse interest *(Note 4)*	225,000,000	Long	22.5%

Notes:

1. Viva Future Group Limited is 100% owned by Mr. Fan Shek Cheong, Allan. On 19 December 2013, Viva Future Group Limited had charged 22,500,000 shares as security in favour of Mr. Fong Shing Kwong, Michael for a facility granted to Viva Future Group Limited.

2. Renowned Ventures Limited is 100% owned by Ms. Fan Sheung Ting, Maria.

3. Ms. Chong Suk To, Ida is the spouse of Mr. Fan Shek Cheong, Allan. Accordingly, she is deemed to be interested in the shares held/owned by Mr. Fan Shek Cheong, Allan (by himself and through Viva Future Group Limited) by virtue of the SFO.

4. Ms. Sheung Lay Lay, Lillian is the spouse of Mr. Fong Shing Kwong, Michael. Accordingly, she is deemed to be interested in all the shares held by Mr. Fong Shing Kwong, Michael by virtue of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this announcement, none of the Directors and their respective associates including spouses and children under 18 years of age was granted by the Company or its subsidiaries any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right during the reporting period.

COMPLIANCE ADVISER'S INTEREST IN THE COMPANY

As at 31 December 2013, as notified by the Company's compliance adviser, Cinda International Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 6 June 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the six months ended 31 December 2013.

COMPETING INTERESTS

During the reporting period and up to date of this announcement, none of the Directors, controlling shareholders and their respective associates as defined under the GEM Listing Rules is interested in any business which competes or is likely to compete, directly or indirectly, with the business of the Group.

SHARE OPTION SCHEME

The share option scheme was adopted and approved by shareholders of the Company on 28 May 2013 to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest. The share option scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which period no further options will be offered or granted but the provisions of the share option scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the share option scheme. No share options have been granted pursuant to the share option scheme during the six months ended 31 December 2013.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of the shareholders.

The Company has applied the principles and code provisions in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 15 to the GEM Listing Rules.

In the opinion of the Board, the Company has complied with the Code for the six months ended 31 December 2013, except for the deviation of Code Provision A.2.1.

CHAIRMAN AND EXECUTIVE DIRECTORS

Under the Code Provision A.2.1, the roles of chairman and managing director should be separated and should not be performed by the same individual. During the reporting period, the roles of chairman and managing director of the Company were performed by the executive Director, Mr. Fan Shek Cheong, Allan. The Company considered that the combination of the roles of chairman and managing director could effectively formulate and implement the strategies of the Company. The Company considered that under the supervision of its Board and its independent non-executive Directors, a balancing mechanism existed so that the interests of the shareholders were adequately and fairly represented. The Company considered that there was no imminent need to change the arrangement.

REVIEW BY THE AUDIT COMMITTEE

The audit committee consists of three members, namely Mr. Yu Tat Kong, Petrus (chairman of the audit committee), Mr. Ho King Man, Kenneth and Mr. Tong Kin Ping, Patrick, all being independent non-executive Directors.

The audit committee has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above unaudited condensed consolidated results of the Group for the six months ended 31 December 2013; and is of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

By Order of the Board
PPS International (Holdings) Limited
Fan Shek Cheong, Allan
Chairman and Executive Director

HKSAR, 10 February 2014

As at the date of this announcement, the board of Directors comprises (i) Mr. Fan Shek Cheong, Allan, Mr. Wong Yin Jun, Samuel and Ms. Hung Sui Hing, Lilian as executive Directors; (ii) Ms. Fan Sheung Ting, Maria as non-executive Director; and (iii) Mr. Ho King Man, Kenneth, Mr. Tong Kin Ping, Patrick and Mr. Yu Tat Kong, Petrus as independent non-executive Directors.

This announcement will remain on the "Latest Company Announcement" page of the internet website operated by the Stock Exchange for the purpose 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.hkpps.com.hk.