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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CHINA PUBLIC PROCUREMENT LIMITED (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA PUBLIC PROCUREMENT LIMITED

中國公共採購有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1094)

**(1) PROPOSED SHARE CONSOLIDATION AND
PROPOSED CHANGE IN BOARD LOT SIZE,
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTOR,
(3) NOTICE OF SPECIAL GENERAL MEETING,
AND
(4) CLOSURE OF REGISTER OF MEMBERS**

A notice convening the special general meeting of the Company to be held at Unit 1802, 18/F., No. 88 Gloucester Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 10 August 2017 is set out on pages 19 to 21 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

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DEFINITIONS

In this Circular, unless the context requires otherwise, the following expressions have the following meanings:

“2013 Share Option(s)”	the option(s) to subscribe for new Existing Ordinary Shares granted under the 2013 Share Option Scheme
“2013 Share Option Scheme”	the share option scheme adopted by the Company on 13 June 2013
“2015 Convertible Bonds”	the non-interest bearing convertible bonds in the principal amount of HK\$357,300,303.75 entitling the holder(s) thereof to convert such convertible bonds into an aggregate of 1,476,447,536 Existing Ordinary Shares pursuant to the Acquisition Agreement
“2016 Convertible Bonds”	the 7% convertible bonds in the principal amount of HK\$30,000,000 entitling the holder(s) thereof to convert such convertible bonds into an aggregate of 393,442,622 Existing Ordinary Shares pursuant to a subscription agreement entered into by the Company and Great Reach Investments Limited on 16 December 2016
“Acquisition Agreement”	the acquisition agreement dated 21 December 2015 (and the subsequent supplementary agreements) entered into between Million Treasure Holdings Limited (as the purchaser), a wholly-owned subsidiary of the Company, Moonride Holdings Limited (as the vendor) and China Public Procurement (Hong Kong) Technology Company Limited (as the warrantor) in relation to the sale and purchase of 100% of the issued share capital of Pioneer Spot Limited, which has lapsed and has become of no further effect as at the Latest Practicable Date
“Announcements”	the Transaction Announcement (as supplemented and clarified by the supplemental announcement of the Company dated 14 June 2017 and the clarification announcement of the Company dated 12 July 2017)

DEFINITIONS

“Board”	the board of Directors
“Business Days”	a day on which licensed banks in Hong Kong are required to be and are generally open for business (other than any Saturday, Sunday or gazetted public holiday in Hong Kong)
“Bye-laws”	the bye-laws of the Company, as amended, modified or otherwise supplemented from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Ordinary Shares to 8,000 Consolidated Ordinary Shares
“Company”	China Public Procurement Limited (中國公共採購有限公司), a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“Consideration Shares”	a maximum of 3,567,151,898 new Existing Ordinary Shares to be allotted and issued by the Company to Moonride Holdings Limited pursuant to the Acquisition Agreement
“Consolidated Ordinary Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company upon the Share Consolidation becoming effective, whether issued or unissued
“Consolidated Preference Share(s)”	convertible preference share(s) of HK\$0.1 each in the capital of the Company upon the Share Consolidation becoming effective, whether issued or unissued

DEFINITIONS

“Consolidated Share(s)”	collectively, the Consolidated Ordinary Shares and the Consolidated Preference Shares
“Director(s)”	director(s) of the Company
“Existing Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“Existing Preference Share(s)”	convertible preference share(s) of HK\$0.01 each in the capital of the Company before the Share Consolidation becoming effective, whether issued or unissued
“Existing Share(s)”	collectively, the Existing Ordinary Shares and Existing Preference Shares
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 July 2017, being the latest practicable date prior to the printing of this circular for ascertaining information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the proposed Share Consolidation and the re-election of the retiring Director
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be, whether issued or unissued
“Shareholder(s)”	holder(s) of the Shares
“Share Consolidation”	the proposed consolidation of: (i) every ten (10) Existing Ordinary Shares of HK\$0.01 each in the capital of the Company into one (1) Consolidated Ordinary Share of HK\$0.1 each; and (ii) every ten (10) Existing Preference Shares of HK\$0.01 each in the capital of the Company into one (1) Consolidated Preference Share of HK\$0.1 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Announcement”	the announcement of the Company dated 5 June 2017 in relation to, among others, the Share Consolidation and the Change in Board Lot Size
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the SGM and is therefore for indicative purposes only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Event	Date and time
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:00 p.m. on 4 August 2017
Closure of register of members for the entitlement to attend and vote at the SGM.	7 August 2017 to 10 August 2017 (both days inclusive)
Latest date and time for lodging forms of proxy for the SGM	11:00 a.m. on 8 August 2017
Date and time of the SGM	11:00 a.m. on 10 August 2017
Announcement of poll results of the SGM	10 August 2017
Effective date of the Share Consolidation.	11 August 2017
First day for free exchange of existing share certificates for new share certificates for the Consolidated Ordinary Shares commences	11 August 2017
Dealings in the Consolidated Ordinary Shares commences	9:00 a.m. on 11 August 2017
Original counter for trading in the Existing Ordinary Shares in board lots of 4,000 Existing Ordinary Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on 11 August 2017
Temporary counter for trading in the Consolidated Ordinary Shares in board lots of 400 Consolidated Ordinary Shares (in the form of existing share certificates) opens	9:00 a.m. on 11 August 2017

EXPECTED TIMETABLE

Event	Date and time
Original counter for trading in the Consolidated Ordinary Shares in board lots of 8,000 Consolidated Ordinary Shares (in the form of new share certificates) re-opens	9:00 a.m. on 25 August 2017
Parallel trading in the Consolidated Ordinary Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on 25 August 2017
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Ordinary Shares	9:00 a.m. on 25 August 2017
Temporary counter for trading in the Consolidated Ordinary Shares in board lots of 400 Consolidated Ordinary Shares (in the form of existing share certificates) closes	4:00 p.m. on 14 September 2017
Parallel trading in Consolidated Ordinary Shares (in form of new share certificates and existing share certificates) ends	4:00 p.m. on 14 September 2017
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Ordinary Shares	4:00 p.m. on 14 September 2017
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Ordinary Shares	18 September 2017

LETTER FROM THE BOARD



CHINA PUBLIC PROCUREMENT LIMITED

中國公共採購有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1094)

Executive Directors:

Mr. Zheng Jinwei (*Chairman and Chief Executive*)
Mr. Ho Wai Kong (*Honorary Chairman*)
Miss. Ng Weng Sin
Ms. He Qian

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-executive Director:

Mr. Chen Limin

*Head office and principal place of
business in Hong Kong:*

Unit 1802, 18/F.
No. 88 Gloucester Road
Wanchai
Hong Kong

Independent non-executive Director:

Ms. Wong Yan Ki, Angel
Mr. Deng Xiang
Mr. Jiang Jun

13 July 2017

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED SHARE CONSOLIDATION AND
PROPOSED CHANGE IN BOARD LOT SIZE,
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTOR,
(3) NOTICE OF SPECIAL GENERAL MEETING,
AND
(4) CLOSURE OF REGISTER OF MEMBERS**

1. INTRODUCTION

As disclosed in the Announcements, the Company proposes to implement the Share Consolidation on the basis that: (i) every ten (10) Existing Ordinary Shares of HK\$0.01 each be consolidated into one (1) Consolidated Ordinary Share of HK\$0.1 each; and (ii) every ten (10) Existing Preference Shares of HK\$0.01 each be consolidated into one (1) Consolidated Preference Share of HK\$0.1 each. As at the Latest Practicable Date, none of the Existing Preference Shares are currently in issue. Subject to the Share Consolidation becoming effective, it is also proposed that the board lot size of the Shares for trading on the Stock Exchange be changed from 4,000 Existing Ordinary Shares to 8,000 Consolidated Ordinary Shares.

LETTER FROM THE BOARD

The purpose of this Circular is to provide you with information regarding, among other things, (a) the Share Consolidation; (b) the Change in Board Lot Size; (c) the proposed re-election of the retiring Director; (d) the notice of SGM; and (e) closure of register of members.

2. PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that: (i) every ten (10) Existing Ordinary Shares of HK\$0.01 each be consolidated into one (1) Consolidated Ordinary Share of HK\$0.1 each; and (ii) every ten (10) Existing Preference Shares of HK\$0.01 each be consolidated into one (1) Consolidated Preference Share of HK\$0.1 each. As at the Latest Practicable Date, none of the Existing Preference Shares are currently in issue.

Effects of the Share Consolidation and status of the Consolidated Shares

As at the Latest Practicable Date, the authorized share capital of the Company is HK\$300,000,000, which is the sum of: (i) HK\$200,000,000 divided into 20,000,000,000 Existing Ordinary Shares, of which 13,429,312,548 Existing Ordinary Shares have been issued; and (ii) HK\$100,000,000 divided into 10,000,000,000 Existing Preference Shares, none of which are currently in issue. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares are issued or repurchased from the Latest Practicable Date until the effective date of the Share Consolidation, the authorized share capital of the Company will remain as HK\$300,000,000, but will become the sum of: (i) HK\$200,000,000 divided into 2,000,000,000 Consolidated Ordinary Shares of HK\$0.1 each, of which 1,342,931,254 Consolidated Ordinary Shares will be in issue; and (ii) HK\$100,000,000 divided into 1,000,000,000 Consolidated Preference Shares of HK\$0.1 each, none of which will be in issue. Upon the Share Consolidation becoming effective, the Consolidated Ordinary Shares shall rank *pari passu* in all respects with each other, and the Consolidated Preference Shares shall rank *pari passu* in all respects with each other. The Share Consolidation will not result in any change in the relative rights of the Shareholders.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Ordinary Shares to which Shareholders may be entitled.

LETTER FROM THE BOARD

Conditions and expected effective date of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (a) the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Ordinary Shares; and
- (c) the compliance with the relevant procedures and requirements under the Bermuda laws (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

Subject to the fulfillment of the above conditions, the Share Consolidation will become effective on Friday, 11 August 2017, which is the Business Day immediately following the date of SGM on which the Shares are traded on the Stock Exchange.

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Ordinary Shares to be in issue upon the Share Consolidation becoming effective and any Consolidated Ordinary Shares which may fall to be issued after the Share Consolidation becoming effective (i) upon the exercise of the conversion rights attaching to any Consolidated Preference Shares that may be issued in the future, and/or (ii) pursuant to the exercise of the share options granted under the 2013 Share Option Scheme.

Subject to the granting of listing of, and permission to deal in, the Consolidated Ordinary Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Ordinary Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Ordinary Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Ordinary Shares to be admitted into CCASS established and operated by HKSCC.

LETTER FROM THE BOARD

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Ordinary Shares

Fractional Consolidated Ordinary Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Ordinary Shares will be aggregated and, if possible, sold for the benefit of the Company.

Fractional Consolidated Ordinary Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Ordinary Shares.

CHANGE IN BOARD LOT SIZE

Currently, the Existing Ordinary Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Ordinary Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Ordinary Shares to 8,000 Consolidated Ordinary Shares conditional upon the Share Consolidation becoming effective.

LETTER FROM THE BOARD

Based on the closing price of HK\$0.037 per Existing Ordinary Share (equivalent to the theoretical closing price of HK\$0.37 per Consolidated Ordinary Share) as at the date of the Transaction Announcement, (i) the value of each existing board lot of Existing Ordinary Shares is HK\$148; (ii) the value of each board lot of 4,000 Consolidated Ordinary Shares would be approximately HK\$1,480 assuming the Share Consolidation had become effective; and (iii) the estimated market value per board lot of 8,000 Consolidated Ordinary Shares would be approximately HK\$2,960 assuming that the Share Consolidation and the Change in Board Lot Size had both become effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

OTHER ARRANGEMENTS

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Ordinary Shares arising from the Share Consolidation, the Company has appointed BMI Securities Limited to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Ordinary Shares to make up a full board lot of the Consolidated Ordinary Shares, or to dispose of their holding of odd lots of the Consolidated Ordinary Shares, during the period from 9:00 a.m. on Friday, 25 August 2017 to 4:00 p.m. on Thursday, 14 September 2017 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Ms. Xu Ziyao of BMI Securities Limited at Suites 909-916, 9/F., Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong or at telephone number +852 35751312 during office hours of such period.

Holders of odd lots of the Consolidated Ordinary Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Ordinary Shares is not guaranteed. If any Shareholder is in doubt about the arrangements on odd lot trading, such Shareholder should consult his/her/its own professional advisers.

Exchange of Share Certificates

Subject to the Share Consolidation becoming effective, the Shareholders may during the period from Friday, 11 August 2017 to Monday, 18 September 2017 (both days inclusive) submit existing share certificates in the colour of pink for the Existing Ordinary Shares to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for exchange for new share certificates in the colour of yellow for the Consolidated Ordinary Shares at the expense of the Company.

LETTER FROM THE BOARD

Thereafter, share certificates of the Existing Ordinary Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Ordinary Shares submitted for cancellation or each new share certificate issued for the Consolidated Ordinary Shares, whichever the number of share certificates involved is higher.

After 4:00 p.m. on Thursday, 14 September 2017, existing share certificates for the Existing Ordinary Shares will only remain good evidence of legal title and may be exchanged for share certificates for Consolidated Ordinary Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Trading arrangement for the Consolidated Ordinary Shares

Subject to the Share Consolidation becoming effective, dealings in the Consolidated Ordinary Shares are expected to commence on Friday, 11 August 2017 at 9:00 a.m. Parallel trading in the Consolidated Ordinary Shares (in the form of existing share certificates and new share certificates) will be operated from Friday, 25 August 2017 to Thursday, 14 September 2017 (both dates inclusive). Further details of the expected timetable and trading arrangement of the Shares are set out in the section headed “EXPECTED TIMETABLE” of this circular.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has:

- (i) outstanding 2013 Share Options entitling the holders thereof to subscribe for a total of 113,780,000 new Existing Ordinary Shares upon exercise of the subscription rights attached thereto; and
- (ii) the power to issue up to 10,000,000,000 Existing Preference Shares of HK\$0.01 each under its authorized share capital, none of which are currently in issue.

If the Share Consolidation becomes effective, corresponding adjustments to, among others, the exercise price or issue price in respect of the abovementioned securities will be made in accordance with the terms of the Bye-laws, the 2013 Share Option Scheme and the Listing Rules.

The Company will make further announcement(s) on such adjustments (if any) as and when appropriate.

LETTER FROM THE BOARD

As disclosed in the Transaction Announcement, in addition to the above, pursuant to the Acquisition Agreement, in settlement of part of the consideration payable by the Company under the Acquisition Agreement, the Company shall upon completion of the Acquisition Agreement issue the Consideration Shares and the 2015 Convertible Bonds, and corresponding adjustments to the issue price thereof will be made in accordance with the terms of the Acquisition Agreement. As disclosed in the announcement of the Company dated 4 July 2017, as certain conditions precedent under the Acquisition Agreement have not been fulfilled or waived (if applicable) on or before 30 June 2017 (being the long stop date agreed between the parties to the Acquisition Agreement), and the parties to the Acquisition Agreement have not agreed on any further extension of the abovementioned long stop date, the Acquisition Agreement has lapsed and has become of no further effect. As such, the Consideration Shares and the 2015 Convertible Bonds will no longer be issued, and accordingly no adjustment will need to be made by virtue of the Acquisition Agreement upon the Share Consolidation becoming effective.

As further disclosed in the Transaction Announcement, as at the date thereof, the Company had outstanding 2016 Convertible Bonds in the principal amount of HK\$30,000,000 entitling the holder(s) thereof to convert such 2016 Convertible Bonds into an aggregate of 393,442,622 Existing Ordinary Shares upon exercise of the conversion rights attached thereto, and that if the Share Consolidation becomes effective, corresponding adjustments to the exercise price or issue price in respect of the abovementioned securities will be made in accordance with the terms of the 2016 Convertible Bonds. The Company has redeemed all of the 2016 Convertible Bonds on 20 June 2017. As such, there are no outstanding 2016 Convertible Bonds as at the Latest Practicable Date, and accordingly no adjustment will need to be made by virtue of the 2016 Convertible Bonds upon the Share Consolidation becoming effective.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Ordinary Shares or Consolidated Ordinary Shares, as the case may be.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the prevailing trading price of the Existing Ordinary Shares, the Board proposes to implement the Share Consolidation. The proposed Share Consolidation will increase the nominal value of the Existing Ordinary Shares and enable the Company to take precautionary steps to avoid non-compliance with the trading requirements under the Listing Rules.

It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Ordinary Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Shares of the Company. It is believed that the adjusted share price as a result of the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Consolidated Ordinary Shares more attractive to a broader range of institutional and professional investors and thus help to further broaden the shareholder base of the Company. Further, it is expected that the increase in board lot size upon the Share Consolidation becoming effective would increase the trading price per board lot of the Consolidated Ordinary Shares and thereby reduce excessive volatility of share trading.

In view of the above reasons, the Company considers the proposed Share Consolidation is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no plans for any further corporate action or arrangement that may affect the trading in its Shares and it has no plans for any equity fundraising in the forthcoming twelve months.

LETTER FROM THE BOARD

WARNING

Shareholders and potential investors should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions and expected effective date of the Share Consolidation” above in this circular, and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED RE-ELECTION OF THE RETIRING DIRECTOR

Pursuant to Bye-law 86(2) of the Bye-laws, any director appointed to fill a causal vacancy on the Board shall hold office only until the next following general meeting of the Company, and any director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company. Such directors shall then be eligible for re-election at that meeting.

In accordance with Bye-law 86(2) of the Bye-laws, Mr. Jiang Jun, who was appointed as an independent non-executive Director with effect from 2 June 2017 to fill the vacancy which arose as a result of the resignation of Mr. Chan Tse See, Kevin as an independent non-executive Director, shall hold office only until the SGM and being eligible, offers himself for re-election as an independent non-executive Director at the SGM.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders’ approval at that relevant general meeting. The requisite details of Mr. Jiang Jun is set out in Appendix I to this circular.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 7 August 2017 to Thursday, 10 August 2017 (both days inclusive), during which no transfer of Shares will be effected, to determine the eligibility of the Shareholders to participate in the SGM. For Shareholders not already on the register of the members of the Company, in order to qualify to attend and vote at the SGM, all transfer(s) of Share(s) (together with the relevant Share certificate(s)) must be lodged with Company’s branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, for registration by no later than 4:00 p.m. on Friday, 4 August 2017.

LETTER FROM THE BOARD

SGM

The Share Consolidation will be conditional upon, among other things, the passing by the Shareholders of the ordinary resolution approving the same at the SGM.

The SGM will be held on Thursday, 10 August 2017 at 11:00 a.m. at Unit 1802, 18/F., No. 88 Gloucester Road, Wanchai, Hong Kong, the notice of which is, set out on pages 19 to 21 of this circular, for the Shareholders to consider and, if thought fit, to approve the Share Consolidation and the re-election of the retiring Director.

According to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the Chairman will demand a poll for the resolutions put to the vote at the SGM pursuant to bye-law 66 of the Bye-laws. After the SGM, the poll results will be published on the respective websites of the Stock Exchange and the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the ordinary resolutions to be proposed at the SGM approving the Share Consolidation and the re-election of the retiring Director.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the Share Consolidation, the Change in Board Lot Size and the re-election of the retiring Director are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed in the SGM.

GENERAL

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Your faithfully,
By Order of the Board
CHINA PUBLIC PROCUREMENT LIMITED
Zheng Jinwei
Chairman

APPENDIX I DETAIL OF THE RETIRING DIRECTOR PROPOSED TO BE RE-ELECTED AT THE SGM

Pursuant to the Listing Rules, the details of the Director, who will retire and offer himself for re-election at the SGM according to the Bye-laws, are provided below:

(1) Mr. Jiang Jun

Mr. Jiang Jun, aged 38, is an independent non-executive Director and member of each of remuneration committee and nomination committee of the Company. He obtained a bachelor's degree in accounting from Beijing University of Chemical Technology in 2003. He is a qualified intermediate accountant and holds the National Computer Rank Examination Grade II Certificate. He started his career in accounting since 2003. He was an accountant for Beijing Longde Group Limited* (北京龍德實業集團有限公司) from September 2003 to June 2006, and he has been the chief audit executive for Shi Boo Investment Holding Co., Ltd. since July 2006.

Mr. Jiang entered into a formal service contract with the Company for a term of 3 years commencing from 2 June 2017, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the bye-laws of the Company. Mr. Jiang is entitled to a monthly director's fee of HK\$25,000, which was determined by the Board with reference to his experience, duties and responsibilities in the Company as well as the current market conditions.

Save as disclosed above, Mr. Jiang has not held directorships in any public companies the securities of which are listed in Hong Kong or overseas stock market in the last three years and he does not hold any other positions in the Company or any of its subsidiaries. Mr. Jiang does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he does not have any interest in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no information which is discloseable pursuant to any of the requirements under paragraphs 13.51(2)(h) to (v) of the Listing Rules and there is no other matter relating to Mr. Jiang that needs to be brought to the attention of the Shareholders.

* For identification purpose only

NOTICE OF SGM



CHINA PUBLIC PROCUREMENT LIMITED

中國公共採購有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1094)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of China Public Procurement Limited (the “**Company**”) will be held on Thursday, 10 August 2017 at 11:00 a.m. at Unit 1802, 18/F., No. 88 Gloucester Road, Wanchai, Hong Kong, for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon, among other things, the granting by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and permission to deal in, the Consolidated Ordinary Shares (as defined below) to be in issue upon the Share Consolidation (as defined below) becoming effective and any Consolidated Ordinary Share which may fall to be issued after the Share Consolidation becoming effective:
 - (a) with effect from the first Business Day immediately following the date on which this resolution is passed, being a day on which shares of the Company are traded on the Stock Exchange: (i) every ten (10) issued and unissued ordinary shares of HK\$0.01 each in the capital of the Company be consolidated into one (1) ordinary share of HK\$0.1 each (the “**Consolidated Ordinary Shares**” and each a “**Consolidated Ordinary Share**”), such Consolidated Ordinary Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the bye-laws of the Company; and (ii) every ten (10) issued and unissued convertible preference shares of HK\$0.01 each in the capital of the Company be consolidated into one (1) convertible preference share of HK\$0.1 each (the “**Consolidated Preference Shares**” and each a “**Consolidated Preference Share**”), such Consolidated Preference Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of preference shares contained in the bye-laws of the Company;

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- (b) all fractional Consolidated Ordinary Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Ordinary Shares will be aggregated and, if possible, sold and retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and
- (c) any one of the Directors be and is hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under seal where applicable, on behalf of the Company, as he may, in his absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”
2. To re-elect Mr. Jiang Jun as an independent non-executive Director.

By Order of the Board
CHINA PUBLIC PROCUREMENT LIMITED
Zheng Jinwei
Chairman

Hong Kong, 13 July 2017

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 1802, 18/F.,
No. 88 Gloucester Road
Wanchai
Hong Kong

At the date of this notice, the Board comprises four executive Directors, namely Mr. Zheng Jinwei (Chairman and Chief Executive), Mr. Ho Wai Kong (Honorary Chairman), Miss. Ng Weng Sin and Ms. He Qian; one non-executive Director, namely Mr. Chen Limin; and three independent non-executive Directors, namely Ms. Wong Yan Ki, Angel, Mr. Deng Xiang and Mr. Jiang Jun.

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Notes:

1. All resolutions at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy needs not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. The register of members of the Company will be closed from Monday, 7 August 2017 to Thursday, 10 August 2017 (both days inclusive), during which no transfer of Shares will be effected, to determine the eligibility of the Shareholders to participate in the Meeting. For Shareholders not already on the register of the members of the Company, in order to qualify to attend and vote at the Meeting, all transfer(s) of Share(s) (together with the relevant Share certificate(s)) must be lodged with Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, for registration by no later than 4:00 p.m. on Friday, 4 August 2017.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the Meeting, the Meeting will be postponed. The Company will post an announcement on the website of Company at www.cphpk.com and on the HKExNews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.