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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)

COMPLETION OF PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Placing Agent



Reference is made to the announcement of China Public Procurement Limited (the “**Company**”) dated 3 December 2021 (the “**Announcement**”) and the circular of the Company dated 13 January 2022 (the “**Circular**”) in relation to, among others, the Placing of the Convertible Bonds under the Specific Mandate on a best effort basis. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement and the Circular unless otherwise stated.

COMPLETION OF THE CB PLACING

The Board is pleased to announce that all conditions precedent to the CB Placing Agreement have been fulfilled and Completion has taken place on 19 April 2022 in accordance to the terms and conditions of the CB Placing Agreement.

On a best effort basis, Convertible Bonds with an aggregate principal amount of HK\$27,500,000 at the initial Conversion Price of HK\$1.50 per Conversion Share (subject to adjustments) have been successfully placed to two Placees. As the number of Placee is less than six, in accordance with Rule 13.28(7) of the Listing Rules, the Company is required to disclose the name of the Placees in this announcement, namely (i) Sea Best Group Limited (“**Sea Best**”) and (ii) Mr. Wu Feng (“**Mr. Wu**”).

Details of the Placees are as follow:

- (a) Convertible Bonds in the aggregate principal amount of HK\$22,500,000 have been issued to Sea Best, a company incorporated in the British Virgin Islands, which is principally engaged in investment holdings. The ultimate beneficial owner of Sea Best is Mr. Mao Dai, the director of Hong Kong Caidi International (Group) Limited* (香港彩迪國際(集團)有限公司); and
- (b) Convertible Bonds in the aggregate principal amount of HK\$5,000,000 have been issued to Mr. Wu, the legal representative of Suzhou Prime Technology Co., Ltd.* (蘇州夢塔尼科技有限公司).

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Placees and their ultimate beneficial owner (where applicable) are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules) and none of the Placees become a substantial Shareholder (as defined in the Listing Rules) immediately following the completion of the CB Placing.

UPDATE ON THE INTENDED USE OF PROCEEDS

As the net proceeds from the CB Placing are less than the expected amount of net proceeds in the event that the Convertible Bonds are fully placed as described in the Circular, following the Completion of the CB Placing, the net proceeds from the CB Placing after deducting the placing commission and other relevant costs and expenses are approximately HK\$26,500,000 (the "**Net Proceeds**"). Consequently, the Company has reconsidered the allocation of the Net Proceeds.

As disclosed in the Circular, the Group has successfully upgraded its IT techniques and capabilities in facilitating procurement and tendering process for clients in private business sector. Taking advantage of its existing procurement and trading capabilities, the Group has identified potential clients in the trading industry for its self-developed IT solutions and intends to apply the Net Proceeds to facilitate the imminent expansion of customer base for its existing procurement and tendering business to the trading industry. Set out below is the updated intended use of the Net Proceeds following the Completion of the CB Placing:

- (i) Approximately HK\$25,000,000 for the expansion of the existing procurement and tendering business of the Group to customers in trading industry; and
- (ii) Approximately HK\$1,500,000 as general working capital.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The aggregate number of Shares which may fall to be issued upon exercise in full of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$1.50 per Conversion Share is 18,333,333 Conversion Shares, representing approximately 6.3% of the Company's existing issued share capital and approximately 5.9% of its issued share capital as enlarged by the allotment and issue of the Conversion Shares (assuming that there will be no further changes to the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

Set out below for illustration purposes are the shareholding structures of the Company: (i) as at the date of this announcement; and (ii) upon full conversion of the Convertible Bonds (on the assumptions that the Convertible Bonds are converted at the initial Conversion Price being HK\$1.50 per Conversion Share and there is no other change in the issued share capital of the Company from the date of this announcement and up to the date of full conversion of the Convertible Bonds):

	As at the date of this announcement		Upon full conversion of the Convertible Bonds	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Director				
Zheng Jinwei (<i>Note 1</i>)	600,000	0.20	600,000	0.19
Substantial Shareholder				
Eastmount Global Limited (<i>Note 2</i>)	69,658,600	23.77	69,658,600	22.37
Public Shareholders				
Sea Best	—	—	15,000,000	4.82
Mr. Wu	—	—	3,333,333	1.07
Other public Shareholders	222,825,125	76.03	222,825,125	71.55
Total	293,083,725	100.00	311,417,058	100.00

Notes:

- These Shares are held by Samway International Enterprise Limited, a company incorporated in British Virgin Islands with limited liability, which is wholly-owned by Mr. Zheng Jinwei, an executive Director.

2. These Shares are held by Eastmount Global Limited, a company incorporated in Hong Kong with limited liability, which is ultimately wholly-owned by Trident Trust Company (Singapore) Pte Limited as trustee of a discretionary trust with Ms. Liu Luoxiu as the settlor and certain family members of Ms. Liu Luoxiu, including Ms. Wu Siyuan, an executive Director and chief executive of the Company, as beneficiaries.

By order of the Board
CHINA PUBLIC PROCUREMENT LIMITED
Wu Siyuan
Executive Director and Chief Executive

Hong Kong, 19 April 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zheng Jinwei (Chairman), Ms. He Qian and Ms. Wu Siyuan (Chief Executive); three non-executive Directors, namely Ms. Liu Qian, Mr. Li Shun and Mr. Li Guanghua; and three independent non-executive Directors, namely Mr. Zhong Dengyu, Mr. Jiang Jun and Mr. Wang Shuai.

* *for identification purposes only*