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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 ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME;  
AND  
(2) ADOPTION OF SHARE AWARD PLAN**

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND  
TERMINATION OF EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme of the Company that was adopted on 13 June 2013 will expire on 12 June 2023. In order to continue to provide Eligible Participants with equity incentives, the Board is pleased to announce that on 29 April 2022, it has resolved to propose the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme for the Shareholders to consider, and if thought fit, approve at the forthcoming annual general meeting of the Company.

**ADOPTION OF SHARE AWARD PLAN**

The Board further announces that on 29 April 2022, it has resolved to adopt the Share Award Plan. The Share Award Plan does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required to adopt the Share Award Plan. For the avoidance of doubt, the making of Awards to a Director and other connected persons of the Company will be subject to compliance with Chapter 14A of the Listing Rules.

The Board and the management of the Company are of the view that retaining and attracting talented and experienced individuals are the keys to the future business development of the Group and believe that the granting of equity incentives is an effective instrument to this end.

In line with the mid-to long-term business strategy of the Group, to recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives to such Eligible Participants in order to encourage and retain them for the continual operation and development of the Group and to attract suitable personnel for the future development of the Group, on 29 April 2022, the Board resolved to (1) propose the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme by the Shareholders at the forthcoming annual general meeting; and (2) adopt the Share Award Plan.

## **PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme of the Company that was adopted on 13 June 2013 will expire on 12 June 2023. In order to continue to provide Eligible Participants with equity incentives, the Board proposes the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme. The New Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules.

The New Share Option Scheme is conditional upon:

- (i) the passing of the relevant resolution(s) by the Shareholders at the forthcoming annual general meeting of the Company to approve and adopt the New Share Option Scheme, authorise the Board to grant Options under the New Share Option Scheme, to issue and allot Shares pursuant to the exercise of any Options to be granted pursuant to the New Share Option Scheme; and
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of the Options under the New Share Option Scheme.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the exercise of the Options granted under the New Share Option Scheme.

A summary of the key terms of the New Share Option Scheme is set out below:

## **1. Eligible Participants**

Eligible Participants shall be employees, directors, advisers or consultants and other group or classes of participants of the Group or any invested entity of the Group, who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group.

## **2. Administration**

Save for matters which shall require the determination by auditors or an independent financial adviser, a decision of the Board or its delegate(s) shall be final and binding on all persons affected thereby.

## **3. Scheme Limit**

The total number of Shares which may be issued upon exercise of Options to be granted under the New Share Option Scheme or any other share option schemes or Shares which may be subject to an Award under the Share Award Plan and an award under any other share award plan adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 10% of the total number of the Shares in issue on the adoption date of the New Share Option Scheme. Options or awarded Shares which have lapsed shall not be counted in calculating the 10% limit.

The Company may refresh the 10% limit with Shareholders' approval provided that each such limit (as refreshed) may not exceed the 10% of the total number of the Shares in issue as at the date of the Shareholders' approval. Options previously granted under the New Share Option Scheme and any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options) will not be counted for the purpose of calculating the limit to be refreshed.

The Company may seek separate approval by Shareholders in general meeting of the Company for granting Options beyond the 10% limit provided that the Options in excess of the limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.

Total number of Shares which may be issued upon exercise of all Options granted and yet to be exercised under the New Share Option Scheme or any other share option schemes adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the total number of the Shares

in issue from time to time. No Options may be granted under the New Share Option Scheme and any other share option schemes of the Company if this will result in such limit being exceeded.

The total number of the Shares issued and to be issued upon exercise of the options granted (including those granted (whether or not cancelled) under the New Share Option Scheme or any other share option schemes adopted by the Company) and to be granted to any Eligible Participants (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant to such Eligible Participants shall not exceed 1% of the issued Shares from time to time. Any further grant of options in excess of this 1% limit must be subject to separate Shareholders' approval with those Eligible Participants and their close associates (or their associates if the Eligible Participants are connected persons) abstaining from voting.

#### **4. Payment on acceptance of the grant of Options**

RMB1.00 which shall not be refundable.

#### **5. Exercise price**

Subject to any adjustments made pursuant to the terms of the New Share Option Scheme, the exercise price shall be at a price determined by the Board at its absolute discretion and notified to each Grantee and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant of such Option;
- (ii) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant of such Option; and
- (iii) the nominal value of a Share on the date of grant of such Option.

#### **6. Restriction period**

If any Director possesses unpublished inside information in relation to the Company, or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws from time to time, the Board or its delegate(s) shall not make any grant of Options to the Grantees.

## **7. Vesting and Lapse**

The Board or its delegate(s), may from time to time while the New Share Option Scheme is in force and subject to all applicable laws, grant Options to any Eligible Participant, and determine, among other things, the timing of grants, selection of the Grantees, number of Options, Vesting Dates and conditions of vesting, and performance targets that must be achieved before any of the Options may be vested in the Grantees.

When a Grantee has satisfied all vesting conditions and/or performance targets specified (and as may be waived or amended from time to time) by the Board or its delegate(s), the relevant Options shall be vested in such Grantee on the relevant Vesting Date and become exercisable.

Unless otherwise determined by the Board or its delegate(s) at their absolute discretion, any outstanding Options not yet vested shall be immediately forfeited when the Grantee fails to fulfil all required vesting conditions and/or performance targets by the stipulated Vesting Date, or when the Grantee ceases to be an Eligible Participant for reasons including, among others, retirement, death, conviction of any criminal offence involving integrity or honesty, termination of employment or contractual engagement with the Group and bankruptcy. Save for the case of retirement, death or other events which the Board or its delegate(s) at their absolute discretion deem appropriate, vested but unexercised Options would remain exercisable for a six-month period, while any Options vested but not yet exercised shall no longer be exercisable from the date of cessation to be an Eligible Participant.

## **8. Duration and Termination**

Unless early terminated by a resolution of the Shareholders, the New Share Option Scheme shall be effective for ten years from the adoption date of the New Share Option Scheme.

The Board may specify the exercise period and/or the vesting schedule of the Options in the grant letter, and in all circumstances all Options shall automatically lapse upon the expiry of the tenth anniversary of the date of grant.

### **General**

No Eligible Participant has been selected for any grant of Options as at the date of this announcement. Ordinary resolutions will be proposed at the forthcoming annual general meeting for Shareholders to consider and, if thought fit, approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme. Further

details of the terms of the New Share Option Scheme and the termination of the Existing Share Option Scheme will be set out in the circular for the forthcoming annual general meeting to be despatched to the Shareholders in due course.

## **ADOPTION OF SHARE AWARD PLAN**

On 29 April 2022, the Board resolved to adopt the Share Award Plan.

Accordingly, the Company will entrust the Trustee to hold the Awarded Shares on behalf of the relevant Selected Participants on trust, until such Awarded Shares are vested with the relevant Selected Participants in accordance with the Plan Rules and the Trust Deed. The Board or its delegate(s) would determine the timing of Awards, the selection of the Selected Participants, number of Awarded Shares, Vesting Dates and conditions of vesting, and performance targets that must be achieved before any of the Awarded Shares may be vested in the Selected Participants under such Award.

A summary of the key terms of the Plan Rules is set out below:

### **1. Eligible Participants**

Eligible Participants shall be employees, directors, advisers or consultants and other group or classes of participants of the Group or any invested entity of the Group, who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Plan is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Plan and such individual shall therefore be excluded from the term Eligible Participant.

### **2. Administration**

The Share Award Plan is subject to the administration of the Board in accordance with the Plan Rules and, where applicable, the Trust Deed. A decision of the Board or its delegate(s) shall be final and binding on all persons affected thereby.

The Board or its delegate(s) may (i) exercise the general and/or specific mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Shares to the Trustee to be held by the Trustee to satisfy the Awards made or to be made under to Share Award Plan; and/or (ii) direct and procure the Trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the Awards made or to be made under to Share Award Plan. The Company shall procure that sufficient

funds are provided to the Trustee by whatever means as the Board or its delegate(s) may determine to enable the Trustee to satisfy its obligations in connection with the administration of the Share Award Plan.

### **3. Plan Limit**

The aggregated maximum number of Shares underlying all Awards made pursuant to the Share Award Plan (excluding Awarded Shares which have lapsed in accordance with the Share Award Plan) must not exceed 5% of the total issued share capital of the Company as at the Adoption Date (i.e. 14,654,186 Shares).

The Company may refresh the 5% limit with Shareholders' approval provided that the total number of Shares which may be subject to an Award or Awards under the Share Award Plan and any other share option scheme or share award plan of the Group may not exceed the 10% of the total number of the Shares in issue as at the date of the Shareholders' approval.

The Company may seek separate approval by Shareholders in general meeting of the Company for granting Awards under the Share Award Plan beyond the 5% limit or, if applicable, the refreshed limit provided that the Awards in excess of the limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought.

The maximum number of Shares which may be subject to an Award or Awards to a Selected Participant in any 12-month period shall not in aggregate exceed 1% of the issued share capital of the Company for the time being.

The Shares underlying all Awards made pursuant to the Share Award Plan may be issued by the Company pursuant to authorisation granted by the Shareholders by way of general or specific mandate(s), and the general or specific mandate(s) may be refreshed from time to time in accordance with the Listing Rules.

### **4. Payment on acceptance of Awarded Share**

The consideration payable by the Selected Participants for each Awarded Share upon acceptance of an Award shall be a percentage of the closing price on the date of the grant of the Award and such percentage shall be determined by the Board or its delegate(s) in its sole discretion.

### **5. Voting Rights**

For any Awarded Shares that have not yet been vested, neither the Selected Participant nor the Trustee may exercise any voting rights in respect of such Awarded Shares.

For other Shares held by the Trustee which have not been granted to any Selected Participants, the Board or its delegate(s) will not give any instruction to the Trustee so that no votes will be cast for those ungranted Shares and the Trustee shall also abstain from voting with respect to such Shares.

## **6. Restriction period**

If any Director possesses unpublished inside information in relation to the Company, or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws from time to time, the Board or its delegate(s) shall not make any Award to the Selected Participants and give any directions or recommendations to the Trustee with respect to a grant of an Award under the Share Award Plan.

## **7. Vesting and Lapse**

The Board or its delegate(s), may from time to time while the Share Award Plan is in force and subject to all applicable laws, select any Eligible Participant to be a Selected Participant, and determine, among other things, the timing of Awards, the selection of the Selected Participants, number of Awarded Shares, Vesting Dates and conditions of vesting, and performance targets that must be achieved before any of the Awarded Shares may be vested in the Selected Participants under such Award.

When a Selected Participant has satisfied all vesting conditions and/or performance targets specified (and as may be waived or amended from time to time) by the Board or its delegate(s) and becomes entitled to the Award, the Trustee shall transfer the relevant Awarded Shares to such Selected Participant on the relevant Vesting Date.

The Selected Participants shall have right to all economic interests in connection with or arising out of each Awarded Share, and save and except for the aforesaid, the Selected Participants shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with the Share Award Plan.

Unless otherwise determined by the Board or its delegate(s) at their absolute discretion, any outstanding Awarded Shares not yet vested shall be immediately forfeited when the Selected Participant fails to fulfil all required vesting conditions and/or performance targets by the stipulated Vesting Date, or when the Selected Participant ceases to be an Eligible Participant for reasons including, among others, retirement, death, conviction of any criminal offence involving integrity or honesty, termination of employment or contractual engagement with the Group and bankruptcy. In any such case, the Awarded Shares awarded but have not been vested in the Selected Participant will lapse and be returned to the Trust in accordance with the Plan Rules.



## **8. Duration and Termination**

Unless early terminated by the Board, the Share Award Plan shall be effective for ten years from the Adoption Date.

Subject to the Plan Rules, the Share Award Plan shall terminate on the earlier of (a) the end of the Award Period except in respect of any non-vested Awarded Shares granted prior to the expiration of the Share Award Plan, for the purpose of giving effect to the vesting of such Awarded Shares or otherwise as may be required in accordance with the Share Award Scheme or (b) such date of early termination as determined by the Board or its delegate(s) provided that such termination shall not affect any subsisting rights of any Selected Participant under the Share Award Plan.

### **General**

No Eligible Participant has been selected for any Award as at the date of this announcement. The Share Award Plan does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No Shareholders' approval is required to adopt the Share Award Plan. For the avoidance of doubt, the making of Awards to a Director and other connected persons of the Company will be subject to compliance with Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Adoption Date”	29 April 2022, being the date on which the Board adopted the Share Award Plan
“Award”	an award of the Awarded Shares granted by the Board to a Selected Participant pursuant to the Plan Rules
“Award Period”	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth anniversary of the Adoption Date
“Awarded Shares”	in respect of a Selected Participant, such number of Shares awarded by the Board pursuant to the Plan Rules
“Board”	the board of Directors of the Company
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	China Public Procurement Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1094)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the directors of the Company
“Eligible Participant(s)”	Employees, directors, advisers or consultants and other group or classes of participants of the Group or any invested entity of the Group, who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group, subject to certain qualifications as set out in the Plan Rules
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders on 13 June 2013

“Grantee(s)”	any Eligible Participant who accepts an offer of the grant of Option(s) made by the Board in accordance with the terms of the New Share Option Scheme, or (where the context so permits) any person who is entitled to any Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of the Hong Kong Special Administrative Region
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Shareholders at the forthcoming annual general meeting
“Option(s)”	a right grant to subscribe for the Share pursuant to the New Share Option Scheme
“Plan Rules”	the rules of the Share Award Plan, as amended from time to time
“RMB”	the lawful currency for the time being of the People’s Republic of China
“Selected Participant(s)”	any Eligible Participant for whom Shares have been provisionally set aside pursuant to an Award under the Share Award Plan
“Share Award Plan”	the share award plan adopted by the Company on the Adoption Date (in its present or any amended form)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	the trust to be constituted by the Trust Deed

“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as amended from time to time)
“Trustee”	such independent trustee as shall from time to time be appointed by the Company to hold the Shares and manage the Trust in accordance with the terms and conditions of the Trust Deed for the benefit of the Selected Participants
“Vesting Date”	(a) for the Share Award Plan, in respect of a Selected Participant, the vesting date on which the Trustee may vest the legal and beneficial ownership of the relevant Awarded Shares (or the relevant portions thereof) in such Selected Participant; (b) for the New Share Option Scheme, in respect of a Grantee, the vesting date on which the Options is vested in the Grantee
“%”	per cent.

By order of the Board  
**China Public Procurement Limited**  
**Wu Siyuan**  
*Chairman and Chief Executive*

Hong Kong, 29 April 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Wu Siyuan (Chairman and Chief Executive), Ms. He Qian; 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.*