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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)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by the Company and reference is also made to the announcement of the Company dated 6 July 2012.

The Board announces that the PRC Partner entered into the Hebei Cooperation Agreement with the Hebei Procurement Centre on 9 July 2012 in relation to, among others, the Proposed Project. The provisions of the Hebei Cooperation Agreement shall form the basis for the preparation of further agreement(s) regarding the Proposed Project.

The PRC Partner also entered into the Conference Cooperation Agreement with the Hebei Procurement Centre on 9 July 2012 in relation to, among others, the organisation of the Proposed Conference. The provisions of the Conference Cooperation Agreement shall form the basis for the preparation of further agreement(s) regarding the organisation of the Proposed Conference.

On 10 July 2012, the PRC Partner issued the Authorisation Letter to the CPP Subsidiary granting it the authority to execute the Proposed Project under the Cooperation Agreement, to undertake the organisation of the Proposed Conference under the Conference Cooperation Agreement and to enter into further agreements for such projects.

PRINCIPAL TERMS OF THE HEBEI COOPERATION AGREEMENT

Pursuant to the Hebei Cooperation Agreement, the PRC Partner agreed, among others, to cooperate with the Hebei Procurement Centre to set up the electronic public procurement platform of the Hebei Procurement Centre and the PRC Partner's obligations under such agreements include:

- (i) to provide the necessary software and hardware, as agreed between the PRC Partner and the Hebei Procurement Centre, for the establishment of the electronic public procurement platform at its own costs;
- (ii) to provide technical training to the staff of the Hebei Procurement Centre regarding the application systems of the electronic public procurement platform;
- (iii) to ensure the normal operation of the electronic public procurement platform and the procurement services system to satisfy the business demand for the Hebei Procurement Centre; and

- (iv) to provide professional services, for which the PRC Partner may charge a service fee in accordance with the government regulations in the PRC, in relation to the establishment of procurement services system, including, among others, procurement transaction services, digital certification services, supplier management and credit investigation services, supply chain management services, financial services, insurance agency services and training and conference services.

Pursuant to the Hebei Cooperation Agreement, the Hebei Procurement Centre agreed, among others:

- (i) to cooperate with the PRC Partner in the development, integration and optimisation of the software and hardware for electronic public procurement;
- (ii) to prepare for the development of electronic public procurement in the Hebei Procurement Centre, including the obtaining of regulatory approval for relevant development proposals, establishing the management system and the business model of the electronic public procurement platforms and providing advisory services in relation to the improvement of such platforms;
- (iii) to maintain the normal operation of the electronic public procurement platform in terms of their management;
- (iv) to support and supervise the development of the market-oriented services of the PRC Partner; and
- (v) to provide assistance to the PRC Partner in its activities relating to the government procurement business.

PRINCIPAL TERMS OF THE CONFERENCE COOPERATION AGREEMENT

Pursuant to the Conference Cooperation Agreement, the PRC Partner agreed, among others, to undertake the organisation of the Proposed Conference at its own costs and the Hebei Procurement Centre agreed, among others, to supervise and assist the PRC Partner in organising the Proposed Conference. The PRC Partner shall be entitled to all profits arising from the Proposed Conference pursuant to the Conference Cooperation Agreement. As set out in the Conference Cooperation Agreement, the expected participants of the Proposed Conference would include the Vice Premier of the State Council of the PRC, the Director of 國務院機關事務管理局 (the Government Offices Administration of the State Council of the PRC*), the directors of 機關事務管理局 (bureaus for government offices administration*) of various provinces and cities in the PRC and the directors of various provincial-level and city-level government procurement centres in the PRC and it was expected that about 350 guests would be invited to take part in the Proposed Conference.

The Hebei Cooperation Agreement and the Conference Cooperation Agreement constitute strategic cooperation agreements between the PRC Partner and the Hebei Procurement Centre. Further agreement(s) may be signed between the CPP Subsidiary and the PRC Partner pursuant to the Hebei Cooperation Agreement, the Conference Cooperation Agreement and the Authorisation Letter may or may not constitute notifiable and/or connected transaction(s) for the Company under the Listing Rules. The Company will keep the shareholders and potential investors of the Company informed of any material development in connection with the above matter by way of further announcement(s) as and when appropriate.

DEFINITIONS

“Authorisation Letter”	the authorisation letter issued by the PRC Partner to the CPP Subsidiary on 10 July 2012 in relation to the Cooperation Agreement and the Conference Cooperation Agreement
“Board”	the board of Directors
“Company”	China Public Procurement Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Conference Cooperation Agreement”	the cooperation agreement entered into between the PRC Partner and the Hebei Procurement Centre on 9 July 2012 in relation to, among others, the organisation of the Proposed Conference
“CPP Subsidiary”	公採網絡科技有限公司 (Gongcai Network Technology Company Limited*), a limited liability company established under the PRC laws and an indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Hebei Cooperation Agreement”	the cooperation agreement entered into between the PRC Partner and the Hebei Procurement Centre on 9 July 2012 in relation to, among others, the Proposed Project
“Hebei Procurement Centre”	河北省省級政府採購中心 (Procurement Centre of the Hebei Province*)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Partner”	國採科技股份有限公司 (Guocai Science & Technology Company Limited*), an entity established under the PRC laws and a substantial shareholder of 國採(北京)技術有限公司 (Guocai (Beijing) Technology Company Limited*), an indirect non-wholly-owned subsidiary of the Company

“Proposed Conference”	全國機關事務協會四屆三次理事會暨2012年全國政府採購中心交流研討會 (The third council meeting of the fourth session of the National Association for Government Administrative Affairs of the PRC and The 2012 National Conference for Government Procurement Centres of the PRC*), which is expected to be held in September 2012 in Shijiazhuang, Hebei Province, the PRC
“Proposed Project”	the establishment of electronic public procurement platform and procurement services system in the Hebei Procurement Centre under the Hebei Cooperation Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
CHINA PUBLIC PROCUREMENT LIMITED
Cheng Yuanzhong
Chairman

Hong Kong, 12 July 2012

At the date of this announcement, the Board comprises five executive Directors, Mr. Cheng Yuanzhong (Chairman), Mr. Ho Wai Kong (Honorary Chairman), Mr. Wang Dingbo (Chief Executive & Chief Operating Officer), Mr. Peng Ru Chuan and Ms. Liu Jie; one non-executive Director, Mr. Wang Ning; and four independent non-executive Directors, Mr. Wu Fred Fong, Mr. Chan Tze See, Kevin, Mr. Chen Bojie, and Mr. Xu Haigen.

* *For identification purpose only*