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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)**

### UPDATE ON BUSINESS DEVELOPMENT

#### INTRODUCTION

This is a voluntary announcement made by the Company to inform its shareholders and potential investors of the latest business development of the Group. Reference is made to the (i) announcement of the Company dated 26 August 2014 in relation to, among others, the cooperation agreement entered into between the EJV and a credit investigation company on 12 August 2014 regarding their cooperation on the China Public Procurement Platform; and (ii) the announcement of the Company dated 26 August 2014 in relation to, among others, the cooperation agreement entered into between the EJV and a public procurement technology development company on 19 August 2014 regarding, among others, their cooperation in respect of Gongcai Tong.

The Board is pleased to announce that on 19 August 2014, the EJV, a subsidiary of the Company, entered into the Beijing Financial Cooperation Agreement with Beijing Financial in relation to, among others, their cooperation in marketing and promotion, inter-connection between Gongcai Tong and the Beijing Financial Management System, credit investigation services, electronic receipt services, third party payment services and financial and factoring services (“**Proposed Projects**”).

The EJV is responsible for the investment, construction, operation and maintenance of the China Public Procurement Platform. Beijing Financial is a developer and operator of software in relation to financial, tax and payment management matters for small and medium-sized enterprises. The provisions of the Beijing Financial Cooperation Agreement shall form the basis for the preparation of further implementation agreement(s) regarding the Proposed Projects.

#### PRINCIPAL TERMS OF THE BEIJING FINANCIAL COOPERATION AGREEMENT

##### Marketing and promotion

Pursuant to the Beijing Financial Cooperation Agreement, Beijing Financial agreed to, among others, promote the sales of Gongcai Tong and the EJV agreed to, among others, promote the sales of the Beijing Financial Management System, through their respective marketing channels, including but not limited to the internet, mobile applications or exhibitions. The

EJV and Beijing Financial shall enter into further implementation agreement(s) to agree on the relevant revenue sharing arrangements in respect of the sales of Gongcai Tong and the Beijing Financial Management System.

### **Inter-connection between Gongcai Tong and the Beijing Financial Management System**

The Beijing Financial Management System is a software application system developed by Beijing Financial for finance and accounting practitioners, which integrates a financial information platform with various software programs in relation to, among others, financial, tax and payment management matters.

Pursuant to the Beijing Financial Cooperation Agreement, the EJV and Beijing Financial agreed that, among others, the basic service components of the Beijing Financial Management System shall be incorporated into the system of Gongcai Tong and the information provision services of Gongcai Tong shall be incorporated into the Beijing Financial Management System.

### **Credit Investigation Services**

On 12 August 2014, the EJV entered into a cooperation agreement with a credit investigation company to develop the credit investigation services in relation to the China Public Procurement Platform and such services is expected to be incorporated into Gongcai Tong. Pursuant to the Beijing Financial Cooperation Agreement, subject to the relevant authorisation of the users of the Beijing Financial Management System being obtained, Beijing Financial agreed to, among others, provide financial data of such users to the EJV for the purpose of supplementing the supplier credit investigation and credit rating services of the China Public Procurement Platform. The EJV and Beijing Financial shall enter into further implementation agreement(s) to agree on the relevant revenue sharing arrangements.

### **Electronic receipt services**

Pursuant to the Beijing Financial Cooperation Agreement, the EJV and Beijing Financial agreed to, among others, increase their cooperation in the research and promotion of the use of electronic receipts and the application of electronic receipts in pilot development areas and in electronic public procurement platforms.

### **Third party payment services**

The EJV, the Company and a third party payment service provider entered into a cooperation agreement in relation to the provision of third party payment services on the China Public Procurement Platform. Pursuant to the Beijing Financial Cooperation Agreement, such third party service payment service provider shall be engaged for the provision of third party payment services, including but not limited to online payment services and electronic reconciliation services, to customers of Beijing Financial and Beijing Financial agreed to incorporate such services into the Beijing Financial Management System. The EJV, its affiliate and Beijing Financial shall enter into further implementation agreement(s) to agree on the details of the manner of cooperation and revenue sharing arrangements.

### **Financial and factoring services**

Pursuant to the Beijing Financial Cooperation Agreement, the EJV and Beijing Financial agreed to, among others, jointly develop factoring services regarding export tax rebate and other financial services for exporters.

The parties to the Beijing Financial Cooperation Agreement intend that in 2015, subject to the status of cooperation between the EJV and Beijing Financial, and the operating results of Beijing Financial, EJV or the controlling shareholder of the EJV will enter into discussions with the equity holders of Beijing Financial in relation to the acquisition of equity interests in Beijing Financial. Details in relation to such proposed acquisition will be subject to further negotiations between the relevant parties.

As the Beijing Financial Cooperation Agreement may or may not lead to the entering into of any implementation agreement(s), Shareholders and potential investors are advised to exercise caution when trading in the Shares. 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

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

“Beijing Financial”	神州易橋(北京)財稅科技有限公司 (Shenzhou Yiqiao (Beijing) Finance and Tax Technology Company Limited*), a company established in the PRC and an independent third party to the Company
“Beijing Financial Cooperation Agreement”	the framework cooperation agreement entered into between the EJV and Beijing Financial on 19 August 2014 in relation to, among others, the Proposed Projects
“Beijing Financial Management System”	a software application system, incorporating, among others, finance, tax, payment and other functions for finance and accounting practitioners developed by Beijing Financial
“Board”	the board of Directors
“China Public Procurement Platform”	the electronic public procurement platform operated by the Group
“Company”	China Public Procurement Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“EJV”	國采(北京)技術有限公司 (Guocai (Beijing) Technology Company Limited*) a limited liability company established under the PRC laws and an indirect non-wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Gongcai Tong”	Gongcai Tong (公採通), an online product of the China Public Procurement Platform, through which registered suppliers can access to market information relating to public procurement, information provided by government procurers, procurement transaction data and regular updates on such information requested by suppliers
“PRC”	the People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 27 August 2014

*At the date of this announcement, the Board comprises eight executive Directors, namely Mr. Cheng Yuanzhong (Chairman), Mr. Ho Wai Kong (Honorary Chairman), Mr. Yan Wei (Chief Executive), Mr. Zhang Wanjun, Mr. Zhang Zhongmin, Mr. Yang Lei, Mr. Zhao Peilai and Mr. Peng Zhiyong; three non-executive Directors, namely Mr. Wang Dingbo, Mr. Wang Ning and Ms. Liu Jie; and four independent non-executive Directors, namely Mr. Wu Fred Fong, Mr. Chan Tze See, Kevin, Mr. Xu Haigen and Mr. Shen Shaoji.*

\* *For identification purpose only*