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**CHINESE PEOPLE HOLDINGS COMPANY LIMITED**

**中民控股有限公司**

*(incorporated in Bermuda with limited liability)* (stock code: 681)

## **DISCLOSEABLE TRANSACTIONS AND MAJOR TRANSACTIONS SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

The Board announced that during the period from 2 April 2019 to 4 March 2020, Beijing Civigas and Xi'an Civigas (both of which are subsidiaries of the Company) had subscribed for wealth management products offered by BOC, ABC, CCB and CIB respectively.

### **LISTING RULES IMPLICATIONS**

#### **Discloseable Transactions**

At the relevant time, as one of the applicable percentage ratios for each of the BOC Subscription, the ABC Subscription, the CCB II First Subscription, the CCB II Second Subscription, the CIB I First Subscription, the CIB I Second Subscription, the CIB II Second Subscription, the CIB II Fourth Subscription and the CIB II Seventh Subscription exceeds 5% but is less than 25% under Chapter 14 of the Listing Rules, each of the BOC Subscription, the ABC Subscription, the CCB II First Subscription, the CCB II Second Subscription, the CIB I First Subscription, the CIB I Second Subscription, the CIB II Second Subscription, the CIB II Fourth Subscription and the CIB II Seventh Subscription constituted a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **Major Transactions**

At the relevant time, as one of the applicable percentage ratios for each of the CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription exceeds 25% but is less than 100% under Chapter 14 of the Listing Rules, each of the CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription constituted a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Under Rule 14.22 of the Listing Rules, CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the transactions was due to inadvertent mistake from the management of the Company having believed that they would be treated as if they were akin to structured term deposit with higher interest income, which would not constitute "transactions" under Chapter 14 of the Listing Rules. The agreements for the subscription of the wealth management products were treated internally as if they were not discloseable under Chapter 14 of the Listing Rules.

The Company wishes to apologise in this regard and now publishes this announcement to provide details of the transactions. To avoid any similar delay in the future and to tighten the Group's internal control procedures, the Company will (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; (ii) provide written guideline on the procedures for similar transactions to all Directors, senior management and relevant personnel of the Company, which would include requiring prior notification to an executive Director and the Company Secretary before entering into similar transactions; and (iii) provide further training to the Directors, the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential notifiable transactions of the Group on a timely basis.

### **DESPATCH OF CIRCULAR**

The circular containing, among other things, further details of the CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription and other information as required by the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2020 for information only.

### **SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS**

The Board announced that during the period from 2 April 2019 to 4 March 2020, Beijing Civigas and Xi'an Civigas (both of which are subsidiaries of the Company) had subscribed for wealth management products offered by BOC, ABC, CCB and CIB respectively.

#### **The principal terms of respective wealth management products are as follows:**

##### **(I) BOC Wealth Management Product**

Parties	:	Xi'an Civigas; and BOC To the best knowledge, information and belief of the Directors, BOC and its ultimate beneficial owners are Independent Third Parties
Name of wealth management product	:	中銀保本理財－人民幣按期開放理財產品 (Capital-protected RMB Open-ended Wealth Management Product with due dates*) of BOC (Product code: C1010412A000251)
Type of wealth management product	:	Returns guaranteed
Internal risk rating of wealth management product	:	Low-risk (the risk rating is the internal rating result of BOC, for reference only)
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in treasury bonds, central bank bills, financial bonds, bank deposits, negotiable certificate of deposit (NCD), bond repurchase, inter-bank borrowings, enterprise bonds with high credit rating, corporate bonds (including short-term corporate bonds of securities company), short-term commercial paper, super short-term commercial paper, medium-term notes, asset-backed securities and private placement of debt financial instruments

Expected rate of investment return : 2.2% (annualised rate of return after deducting the costs of this wealth management product)

Details of subscription and redemption of the BOC Wealth Management Product are as follow:

<b>Date</b>	<b>Subscription/redemption</b>	<b>BOC Wealth Management Product subscription (redemption) amount</b> RMB'000	<b>Outstanding balance for BOC Wealth Management Product</b> RMB'000
4 September 2019	Subscription (the “ <b>BOC Subscription</b> ”)	25,000	25,000
27 September 2019	Redemption on maturity	(25,000)	-

Investment income from the BOC Wealth Management Product was approximately RMB35,000. As at the date of this announcement, Xi'an Civigas does not hold the BOC Wealth Management Product.

## **(II) ABC Wealth Management Products**

### **(a) ABC Wealth Management Product I**

Parties	: Xi'an Civigas; and ABC To the best knowledge, information and belief of the Directors, ABC and its ultimate beneficial owners are Independent Third Parties
Name of wealth management product	: 中國農業銀行“本利豐·62天”人民幣理財產品 (“Benlifeng · 62 days” RMB Wealth Management Product*) of ABC (Product code: C1010314006706)
Type of wealth management product	: Principal with return guaranteed
Internal risk rating of wealth management product	: Low-risk (the risk rating is the internal rating result of ABC, for reference only)
Investment portfolio	: The funds raised through the issuance of this wealth management product will be invested in treasury bonds, financial bonds, central bank bills, money markets tools, credit bonds with high credit rating, non-publicly directed debt financing instruments, low-risk interbank funds business, swaps and other foreign currency fund market instruments with risky returns locked, fixed-income investment instruments issued by commercial banks or other qualified institutions, non-standardised debts, and trust plans and other investments that meet regulatory requirements
Expected rate of investment return	: 2.8% (annualised rate of return after deducting the costs of this wealth management product)

**(b) ABC Wealth Management Product II**

Parties	:	Xi'an Civigas; and ABC
Name of wealth management product	:	中國農業銀行“本利豐天天利”開放式人民幣理財產品 (“Benlifeng Tiantianli” RMB Open-ended Wealth Management Product*) of ABC (Product code: C1010315A002239)
Type of wealth management product	:	Principal guaranteed with floating return
Internal risk rating of wealth management product	:	Low-risk (the risk rating is the internal rating result of ABC, for reference only)
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in inter-bank and exchange market bonds, repurchases, borrowings (including government bonds, financial bonds, central bank bills, higher-grade credit bonds, non-public targeted debt financing instruments, convertible bonds, etc.), money market funds, bond funds, low-risk other funds, low-risk interbank funds business, non-standard debt assets (including income rights, entrusted claims, etc.), securities issued by asset managers, and fixed income products issued by commercial banks or other qualified institutions
Expected rate of investment return	:	2.2% (annualised rate of return after deducting the costs of this wealth management product)

Details of subscription and redemption for the ABC Wealth Management Products are as follow:

Date	Subscription/ redemption	ABC Wealth Management Product I subscription (redemption) amount RMB'000	ABC Wealth Management Product II subscription (redemption) amount RMB'000	Total outstanding balance for ABC Wealth Management Products RMB'000
22 October 2019	Subscription	20,000	-	20,000
28 November 2019	Subscription (the “ABC Subscription”)	-	14,000	34,000
3 December 2019	Redemption	-	(13,000)	21,000
9 December 2019	Redemption	-	(1,000)	20,000
24 December 2019	Redemption	(20,000)	-	-

Total investment income from the ABC Wealth Management Products was approximately RMB103,000. As at the date of this announcement, Xi'an Civigas does not hold ABC Wealth Management Products.

### **(III) CCB Wealth Management Products**

#### **(a) CCB Wealth Management Product I**

Parties	: Beijing Civigas; and CCB To the best knowledge, information and belief of the Directors, CCB and its ultimate beneficial owners are Independent Third Parties
Name of wealth management product	: “乾元-滿溢”30天開放式資產組合型人民幣理財產品 (“Qiannyuan-Manyi” 30-day Open-ended Assets Portfolio RMB Wealth Management Product*) (Product code: C1010517A002942)
Type of wealth management product	: Non-principal guaranteed with floating return
Internal risk rating of wealth management product	: Lower-risk (the risk rating is the internal rating result of CCB, for reference only)
Investment portfolio	: The funds raised through the issuance of this wealth management product will be invested in debt, bond and money market instruments and other portfolios that are in compliance with regulatory requirements
Expected rate of investment return	: 3.3% (annualised rate of return after deducting the costs of this wealth management product)

#### **(b) CCB Wealth Management Product II**

Parties	: Beijing Civigas; and CCB
Name of wealth management product	: “乾元-日鑫月溢”（按日）開放式資產組合型人民幣理財產品 (“Qiannyuan-Rixinmanyi” (Daily-Basis) Open-ended Assets Portfolio RMB Wealth Management Product*) (Product code: C1010516005764)
Type of wealth management product	: Returns guaranteed
Internal risk rating of wealth management product	: Moderate-risk (the risk rating is the internal rating result of CCB, for reference only)
Investment portfolio	: The funds raised through the issuance of this wealth management product will be invested in money market instruments, outstanding bonds at interbank market and stock exchanges, secondary market stock and other standardised financial investment instruments recognised by regulatory departments as well as right of return on assets, right of return on particular assets and income right and non-standardised equity assets

Expected rate of investment return : 2.0% - 3.5% (annualised rate of return after deducting the costs of this wealth management product). CCB may adjust the expected annual yield rate based on market conditions

Details of subscription and redemption of the CCB Wealth Management Products are as follow:

<b>Date</b>	<b>Subscription/ redemption</b>	<b>CCB Wealth Management Product I subscription (redemption) amount RMB'000</b>	<b>CCB Wealth Management Product II subscription (redemption) amount RMB'000</b>	<b>Total outstanding balance for CCB Wealth Management Products RMB'000</b>
2 April 2019	Subscription (the “ <b>CCB I Subscription</b> ”)	170,000	-	170,000
7 May 2019	Redemption on maturity	(170,000)	-	-
28 May 2019	Subscription (the “ <b>CCB II First Subscription</b> ”)	-	45,000	45,000
17 June 2019	Subscription	-	10,500	55,500
3 July 2019	Redemption	-	(20,000)	35,500
24 July 2019	Redemption	-	(14,000)	21,500
22 October 2019	Redemption	-	(3,180)	18,320
27 November 2019	Subscription	-	10,000	28,320
24 December 2019	Subscription (the “ <b>CCB II Second Subscription</b> ”)	-	16,500	44,820
14 February 2020	Redemption	-	(2,000)	42,820
10 March 2020	Redemption	-	(4,000)	38,820

Total investment income from the CCB Wealth Management Product I and the CCB Wealth Management Product II for the period from 2 April 2019 to the date of this announcement were approximately RMB538,000 and RMB179,000 respectively. As at the date of this announcement, Beijing Civigas still holds RMB38.82 million of the CCB Wealth Management Product II.

#### **(IV) CIB Wealth Management Product**

##### **(a) CIB Wealth Management Product I**

Parties : Beijing Civigas; and  
CIB  
To the best knowledge, information and belief of the Directors, CIB and its ultimate beneficial owners are Independent Third Parties

Name of wealth management product : “金雪球-優悅” 非保本開放式人民幣理財產品(1個月)  
 (“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (1 Month)\*)  
(Product code: C1030917A000713)

Type of wealth management product : Non-principal-guaranteed and open-ended

Internal risk rating of wealth management product : Low-risk (the risk rating is the internal rating result of CIB, for reference only)

Investment portfolio : The funds raised through the issuance of this wealth management product will be invested in bond investments, non-standardised debt assets and equity investments and other portfolios that are in compliance with regulatory requirements

Expected rate of investment return : 3.8% (annualised rate of return after deducting the costs of this wealth management product)

**(b) CIB Wealth Management Product II**

Parties : Beijing Civigas; and CIB

Name of wealth management product : “金雪球-優悅” 非保本開放式人民幣理財產品(3個月)  
 (“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (3 Months)\*)  
 (Product code: C1030916A003467)

Type of wealth management product : Non-principal-guaranteed and open-ended

Internal risk rating of wealth management product : Low-risk (the risk rating is the internal rating result of CIB, for reference only)

Investment portfolio : The funds raised through the issuance of this wealth management product will be invested in bond investments, non-standardised debt assets and equity investments and other portfolios that are in compliance with regulatory requirements

Expected rate of investment return : 3.8% (annualised rate of return after deducting the costs of this wealth management product)

Details of subscription and redemption of the CIB Wealth Management Products are as follow:

<b>Date</b>	<b>Subscription/ redemption</b>	<b>CIB Wealth Management Product I subscription (redemption) amount RMB'000</b>	<b>CIB Wealth Management Product II subscription (redemption) amount RMB'000</b>	<b>Total outstanding balance for CIB Wealth Management Products RMB'000</b>
14 May 2019	Subscription (the “CIB I First Subscription”)	100,000	-	100,000
17 May 2019	Subscription (the “CIB II First Subscription”)	-	70,000	170,000
17 June 2019	Redemption on maturity	(100,000)	-	70,000
28 June 2019	Subscription (the “CIB I Second Subscription”)	100,000	-	170,000
1 August 2019	Redemption on maturity	(100,000)	-	70,000
2 August 2019	Subscription (the “CIB II Second Subscription”)	-	100,000	170,000
20 August 2019	Redemption on maturity	-	(70,000)	100,000
22 August 2019	Subscription (the “CIB II Third Subscription”)	-	70,000	170,000
5 November 2019	Redemption on maturity	-	(100,000)	70,000
11 November 2019	Subscription (the “CIB II Fourth Subscription”)	-	100,000	170,000
26 November 2019	Redemption on maturity	-	(70,000)	100,000
26 November 2019	Subscription (the “CIB II Fifth Subscription”)	-	60,000	160,000
12 February 2020	Redemption on maturity	-	(100,000)	60,000
14 February 2020	Subscription (the “CIB II Sixth Subscription”)	-	100,000	160,000
4 March 2020	Redemption on maturity	-	(60,000)	100,000
4 March 2020	Subscription (the “CIB II Seventh Subscription”)	-	60,000	160,000

Total investment income from the CIB Wealth Management Product I and CIB Wealth Management Product II for the period from 14 May 2019 to the date of this announcement were approximately RMB666,000 and RMB3,826,000 respectively. As at the date of this announcement, Beijing Civigas still holds RMB160 million of the CIB Wealth Management Product II.



## **REASONS AND BENEFITS FOR THE SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCTS**

The Board believes that without affecting its operating liquidity, the Company (through its subsidiaries) can utilise part of its idle funds to subscribe for bank wealth management products, which can provide a higher interest rates than current fixed deposit rates offered by banks or other licensed financial institutions. In view of the high security of wealth management products due to their risk rating of moderate to low risk, the Board believes that such subscriptions will not adversely affect the working capital of the Group. Therefore, the Directors consider that the wealth management products are conducted on normal commercial terms in the ordinary course of business of the Group and are in the interests of the Company and its Shareholders.

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in the sales and distribution of gas fuel including the provision of piped gas, sales and distribution of cylinder gas and fast-moving consumer goods and food ingredients supply in the PRC.

Beijing Civigas is a company established in the PRC with limited liability and principally engaged in investment holding.

Xi'an Civigas is a company established in the PRC with limited liability and principally engaged in sales and distribution of gas, design of gas pipeline and related maintenance in Xi'an city, Shaanxi Province, the PRC.

BOC is a large state-owned commercial bank and one of the central financial enterprises managed by the Ministry of Finance.

ABC and CCB are large state-owned commercial banks and the controlling shareholder is Central Huijin Investment Ltd. (a state-owned enterprise).

CIB is a national joint-stock commercial bank, and the Fujian Provincial Department of Finance is its single largest shareholder.

## **LISTING RULES IMPLICATIONS**

### **Discloseable Transactions**

At the relevant time, as one of the applicable percentage ratios for each of the BOC Subscription, the ABC Subscription, the CCB II First Subscription, the CCB II Second Subscription, the CIB I First Subscription, the CIB I Second Subscription, the CIB II Second Subscription, the CIB II Fourth Subscription and the CIB II Seventh Subscription exceeds 5% but is less than 25% under Chapter 14 of the Listing Rules, each of the BOC Subscription, the ABC Subscription, the CCB II First Subscription, the CCB II Second Subscription, the CIB I First Subscription, the CIB I Second Subscription, the CIB II Second Subscription, the CIB II Fourth Subscription and the CIB II Seventh Subscription constituted a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Major Transactions**

At the relevant time, as one of the applicable percentage ratios for each of the CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription the CIB II Fifth Subscription and the CIB II Sixth Subscription exceeds 25% but is less than 100% under Chapter 14 of the Listing Rules, each of the CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription constituted a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Under Rule 14.22 of the Listing Rules, CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the transactions was due to inadvertent mistake from the management of the Company having believed that they would be treated as if they were akin to structured term deposit with higher interest income, which would not constitute “transactions” under Chapter 14 of the Listing Rules. The agreements for the subscription of the wealth management products were treated internally as if they were not discloseable under Chapter 14 of the Listing Rules.

The Company wishes to apologise in this regard and now publishes this announcement to provide details of the transactions. To avoid any similar delay in the future and to tighten the Group’s internal control procedures, the Company will (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules; (ii) provide written guideline on the procedures for similar transactions to all Directors, senior management and relevant personnel of the Company, which would include requiring prior notification to another executive Director and the Company Secretary before entering into similar transactions; and (iii) provide further training to the Directors, the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential notifiable transactions of the Group on a timely basis.

## DESPATCH OF CIRCULAR

The circular containing, among other things, further details of the CCB I Subscription, the CIB II First Subscription, the CIB II Third Subscription, the CIB II Fifth Subscription and the CIB II Sixth Subscription and other information as required by the Listing Rules is expected to be despatched to the Shareholders on or before 31 May 2020 for information only.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“ABC”	: Xi’an Area Yanliang Branch of Agricultural Bank of China
“ABC Wealth Management Product I”	: 中國農業銀行 “本利豐·62天” 人民幣理財產品 (“Benlifeng · 62 days” RMB Wealth Management Product*) of ABC
“ABC Wealth Management Product II”	: 中國農業銀行 “本利豐天天利” 開放式人民幣理財產品 (“Benlifeng Tiantianli” RMB Open-ended Wealth Management Product*) of ABC
“Beijing Civigas”	: 北京中民燃氣有限公司 (Beijing Civigas Co., Ltd.*), a company established in the PRC with limited liability, an investment holding company and its 100% equity interest held by the Company
“Board”	: the board of directors of the Company
“BOC”	: Xi’an Yanliang National Aviation High-tech Industrial Base Branch of Bank of China Limited
“BOC Wealth Management Product”	: 中國銀行中銀保本理財－人民幣按期開放理財產品 (Capital-protected-RMB Open-ended Wealth Management Product with due dates *) of BOC
“CCB”	: Beijing Economic and Technological Development Area Branch of China Construction Bank Corporation

“CCB Wealth Management Product I”	: 中國建設銀行 “乾元-滿溢” 30天開放式資產組合型人民幣理財產品 (“Qiannyuan-Manyi” 30-day Open-ended Assets Portfolio RMB Wealth Management Product*) of CCB
“CCB Wealth Management Product II”	: 中國建設銀行 “乾元-日鑫月溢” (按日) 開放式資產組合型人民幣理財產品 (“Qiannyuan-Rixinmanyi” (Daily Basis) Open-ended Assets Portfolio RMB Wealth Management Product*) of CCB
“CIB”	: Beijing Economic and Technological Development Area Branch of Industrial Bank Co., Ltd.
“CIB Wealth Management Product I”	: 興業銀行 “金雪球-優悅” 非保本開放式人民幣理財產品 (1個月) (“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (1 Month)*) of CIB
“CIB Wealth Management Product II”	: 興業銀行 “金雪球-優悅” 非保本開放式人民幣理財產品 (3個月) (“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (3 Months)*) of CIB
“Company”	: Chinese People Holdings Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Group”	: the Company and its subsidiaries
“Independent Third Party(ies)”	: third party(ies) (and where the third party is a corporation, such corporation and its ultimate beneficial owners) who is/are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“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 and Taiwan
“RMB”	: the lawful currency of the PRC
“Shares”	: ordinary issued share(s) of HK\$0.07 each in the capital of the Company
“Shareholders”	: holders of the Shares
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Xi'an Civigas”	: 西安中民燃氣有限公司 (Xi'an Civigas Co., Ltd.*), a company established in the PRC with limited liability, and principally engaged in sales and distribution of gas, design of gas pipeline and related maintenance business in Xi'an city, Shaanxi Province, the PRC and 51% owned subsidiary of the Group
“%”	: percent

By Order of the Board  
**Chinese People Holdings Company Limited**  
**Mr. Fan Fangyi**  
*Managing Director and Executive Director*

Beijing, 3 April 2020

As at the date of this announcement, the Board comprises five Executive Directors namely, Dr. Mo Shikang (Chairman), Mr. Zhang Hesheng (Deputy Chairman), Mr. Chu Kin Wang Peleus (Deputy Chairman), Mr. Fan Fangyi (Managing Director) and Miss Mo Yunbi, and three Independent Nonexecutive Directors namely, Dr. Liu Junmin, Prof. Zhao Yanyun and Mr. Sin Ka Man.

*\* For identification purpose only*