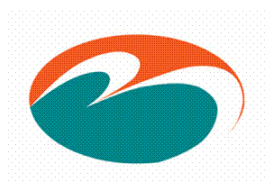


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CHINESE PEOPLE HOLDINGS COMPANY LIMITED

中民控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 681)

DISCLOSEABLE TRANSACTION: FORMATION OF JOINT VENTURE

The Board is pleased to announce that the Cooperative Agreement is entered into between Yongheng Development, Zhongke Zhikong, Huizhou Xintianjian, Shenzhen Yuhuaxing and Beijing Zhongmin, a wholly owned subsidiary of the Company, for the formation of Zhonghua Yongbaofu in the PRC.

It is intended that Zhonghua Yongbaofu will be engaged principally in the provision of public assistance insurance, personal medical insurance, employment insurance and specific personal insurance to the disabled in the PRC.

Pursuant to the terms of the Cooperative Agreement, the registered capital of Zhonghua Yongbaofu will be RMB380,000,000 (equivalent to approximately HK\$442,548,000), RMB144,400,000 (equivalent to approximately HK\$168,161,000), RMB133,000,000 (equivalent to approximately HK\$154,885,000), RMB45,600,000 (equivalent to approximately HK\$53,104,000), RMB28,500,000 (equivalent to approximately HK\$33,190,000) and RMB28,500,000 (equivalent to approximately HK\$33,190,000) will be contributed by Yongheng Development, Beijing Zhongmin, Zhongke Zhikong, Huizhou Xintianjian and Shenzhen Yuhuaxing by way of cash respectively.

The Cooperative Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that the Cooperative Agreement is entered into between Yongheng Development, Zhongke Zhikong, Huizhou Xintianjian, Shenzhen Yuhuaxing and Beijing Zhongmin with details as follows:

** for identification purpose only*

THE COOPERATIVE AGREEMENT

- Date** : 18 November 2010
- Parties** : (i) Yongheng Development;
- (ii) Zhongke Zhikong;
- (iii) Huizhou Xintianjian;
- (iv) Shenzhen Yuhuaxing; and
- (v) Beijing Zhongmin, a wholly owned subsidiary of the Company

Each of Yongheng Development, Zhongke Zhikong, Huizhou Xintianjian, Shenzhen Yuhuaxing and their respective ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined under the Listing Rules) and are not connected persons (as defined under the Listing Rules) of the Company.

Yongheng Development is directly interested in 60% of the equity interests of an associate company of the Company. Save as disclosed, each of Yongheng Development, Zhongke Zhikong, Huizhou Xintianjian and Shenzhen Yuhuaxing has no past business relationship with the Group and did not engage in any other transaction with the Group.

Formation of joint venture company

The parties to the Cooperative Agreement agreed that Zhonghua Yongbaofu will be established in the PRC and will be owned as to 38% by Yongheng Development, 35% by Beijing Zhongmin, 12% by Zhongke Zhikong, 7.5% by Huizhou Xingtianjian and 7.5% by Shenzhen Yuhuaxing. The establishment of Zhonghua Yongbaofu is subject to the approval from China Insurance Regulatory Commission. It is intended that Zhonghua Yongbaofu will be engaged principally in the provision of public assistance insurance, personal medical insurance, employment insurance and specific personal insurance to the disabled in the PRC.

Registered capital

Upon its establishment, the registered capital of Zhonghua Yongbaofu will be RMB380,000,000 (equivalent to approximately HK\$442,548,000). RMB144,400,000 (equivalent to approximately HK\$168,161,000), RMB133,000,000 (equivalent to approximately HK\$154,885,000), RMB45,600,000 (equivalent to approximately HK\$53,104,000), RMB28,500,000 (equivalent to approximately HK\$33,190,000) and RMB28,500,000 (equivalent to approximately

HK\$33,190,000) will be contributed by Yongheng Development, Beijing Zhongmin, Zhongke Zhikong, Huizhou Xintianjian and Shenzhen Yuhuaqing by way of cash respectively. 50% of the registered capital shall be contributed within 30 days after the receipt of the approval from the China Insurance Regulatory Commission by Zhonghua Yongbaofu and 50% of the registered capital shall be contributed within one year after the establishment of Zhonghua Yongbaofu.

Upon establishment, Zhonghua Yongbaofu will become an associate company of the Group.

The Group intends to finance the capital contribution to Zhonghua Yongbaofu from its internal financial resources.

The total investment of Zhonghua Yongbaofu has not been specified in the Cooperative Agreement. Apart from the contribution towards the registered capital set out above, there are no further capital commitments that are required to be contributed by the parties to the Cooperative Agreement at this stage. If there is any further capital commitments to be put up by the parties to Zhonghua Yongbaofu, further announcement will be made if and when appropriate to comply with the requirements under the Listing Rules.

REASONS FOR THE COOPERATIVE AGREEMENT

On 20 March 2010, the China Disabled Persons' Federation, the China Association of the Blind, and the China Association of Persons with Physical Disability jointly issued a letter to support the establishment of Zhonghua Yongbaofu.

According to the letter to confirm the approval of the establishment Zhonghua Yongbaofu issued by China Association of Social Workers on 11 August 2010, the Ministry of Civil Affairs of the PRC approved the co-founding of Zhonghua Yongbaofu by the China Association of Social Workers.

On 8 September 2010, China Association of Social Workers issued a letter to confirm the approval of the co-founding of Zhonghua Yongbaofu, which approved and supported the co-founding of Zhonghua Yongbaofu by China Association of Social Workers and 中華永恒慈善基金(Zhonghua Yongheng Charity Fund)[#], Yongheng Development, Beijing Zhongmin and other related organisations, and report to the relevant departments for examination and approval procedures in accordance with relevant provisions of the application.

Upon its establishment, Zhonghua Yongbaofu will engage in provision of public assistance insurance, personal medical insurance, employment insurance and specific personal insurance to the disabled in the PRC. By promoting and building the social security system and social service system among the disabled, it will improve the recent lack of insurance products for the disabled in the PRC.

The Group is principally engaged in sales of LPG; provision of piped gas fuel; construction of gas pipelines; operation of city gas pipeline network; and actively promote lottery agency sales and equipment supply.

The Directors have been actively in exploring suitable business opportunities to diversify the business scope of the Group. As Zhonghua Yongbaofu will be involved in the insurance business, the Directors consider that the Cooperative Agreement represents an opportunity to the Group (i) in investing in the insurance market in the PRC and to capture the opportunities under the rapid development of insurance industry in the PRC; and (ii) to diversify its business development.

The Directors, including the independent non-executive Directors, consider that the terms of the Cooperative Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties to the Cooperative Agreement and the Directors consider that the terms of the Cooperative Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Cooperative Agreement constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Beijing Zhongmin”	北京中民燃氣有限公司 (Beijing Zhongmin Gas Company Limited [#]), a company established in Beijing, the PRC, a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Chinese People Holdings Company Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Cooperative Agreement”	the equity holders' cooperative agreement dated 18 November 2010 and entered into between Yongheng Development, Zhongke Zhikong, Huizhou Xintianjian, Shenzhen Yuhuaxing and Beijing Zhongmin with respect to the formation of Zhonghua Yongbaofu

“Directors”	directors (including the independent non-executive directors) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou Xintianjian”	惠州市新天健服装有限公司 (Huizhou City Xintianjian Clothing Company Limited [#])
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ministry of Civil Affairs”	Ministry of Civil Affairs of the PRC
“PRC”	the People’s Republic of China
“Shares”	ordinary shares of HK\$0.07 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Shenzhen Yuhuaxing”	深圳市裕華興印刷製品有限公司 (Shenzhen Yuhuaxing Printing Products Company Limited [#])
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yongheng Development”	永恆發展集團(深圳)有限公司 (Yongheng Development Group (Shenzhen) Company Limited [#]), which is directly interested in 60% of an associate company of the Company
“Zhonghua Yongbaofu”	中華永保福人壽保險投資有限公司 (Zhonghua Yongbaofu Life Insurance Investment Company Limited [#]), a joint venture to be established pursuant to the Cooperative Agreement
“Zhongke Zhikong”	中科智控股集團有限公司 (Zhongke Zhikong Holding Group Company Limited [#])
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Reminbi, the lawful currency of the PRC

“%” per cent.

By order of the Board
Chinese People Holdings Company Limited
Jin Song
Managing and Executive Director

Beijing, 25 November 2010

As at the date of this announcement, the executive Directors are Mr. Xu Ruixin, Dr. Mo Shikang, Mr. Zhang Hesheng, Mr. Zhu Peifeng, Mr. Jin Song and Mr. Chu Kin Wang Peleus, the independent non-executive Directors are Mr. Liu Junmin, Mr. Tan Qinglian and Mr. Sin Ka Man.

the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of HK\$1.00 to RMB0.8587. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.