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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)

VOLUNTARY ANNOUNCEMENT: CONSTRUCTION OF SHENZHEN YONGHENG LE CAI TECHNOLOGY AND INDUSTRIAL PARK FOR THE DEVELOPMENT OF VIDEO LOTTERY MACHINE BUSINESS

The Board is pleased to announce that Shenzhen Le Cai plans to construct the Industrial Park. The total site area of the Industrial Park is approximately 25,000 square meters and will be built in three phases. The site area and the gross floor area of the first phase of the Industrial Park are approximately 8,000 square meters and approximately 20,000 square meters respectively. The aims of the construction of the Industrial Park are (i) to improve the new lottery varieties; (ii) to research and develop lottery machine terminal and supporting system software and innovation ability; and (iii) to promote Shenzhen Le Cai becoming one of the famous lottery products, lottery machine terminal and software services developers in the PRC. The State Intellectual Property Office of the PRC had accepted a patent application from Shenzhen Le Cai with respect to a new type of automated prized lottery system. The development of video lottery machines had been recognised by the Shenzhen Technology Innovation Committee as a high-tech and innovative project.

This is a voluntary announcement made by the Company.

The board (the “Board”) of directors (each a “Director”) of Chinese People Holdings Company Limited (the “Company” and together with its subsidiaries, the “Group”) is pleased to announce that 深圳市永恒樂彩科技開發有限公司 (Shenzhen Yongheng Le Cai Technology Development Limited#) (“Shenzhen Le Cai”), a wholly-owned subsidiary of the Group, plans to construct the Shenzhen Yongheng Le Cai Technology and Industrial Park (the “Industrial Park”). The total site area of the Industrial Park is approximately 25,000 square meters and will be built in three phases. The site area and the gross floor area of the first phase of the Industrial Park are approximately 8,000 square meters and approximately 20,000 square meters respectively. The aims of the construction of the Industrial Park are (i) to improve the new lottery varieties; (ii) to research and develop lottery machine terminal and supporting system software and innovation ability; and (iii) to promote Shenzhen Le Cai becoming one of the famous lottery products, lottery machine terminal and software services developers in the People’s Republic of China (the “PRC”). The State Intellectual Property Office of the PRC had accepted a patent application from Shenzhen Le Cai with respect to a new type of automated prized lottery system. The manufacturing of video lottery machines had been recognised by the Shenzhen Technology Innovation Committee as a high-tech and innovative project.

Reasons for the construction of Industrial Park

Shenzhen Le Cai is principally engaged in the lottery agency sales. Upon the completion and operation of the Industrial Park, Shenzhen Le Cai can provide vertical integration of lottery sales services; hardware and software for a number of high-frequency lottery games and related maintenance services for the PRC welfare lotteries sector, as well as to benefit from the same for its sales and marketing management.

The Directors believes that the construction of the Industrial Park will strengthen the Group's market position in the PRC's welfare lotteries sector and diversify the Group's lottery business. The strategy of vertical integration will lead to and maintain a rapid growth of the Group's lottery business and help the downstream industries in full bloom.

The Group is principally engaged in sales of liquefied petroleum gas; provision of piped gas fuel; construction of gas pipelines; operation of city gas pipeline network and lottery agency sales.

This announcement is made on a voluntary basis.

By Order of the Board
Chinese People Holdings Company Limited
Mr. Yang Songsheng
Chairman

Shenzhen, 21 December 2012

As at the date of this announcement, the Board comprises seven executive Directors, namely, Mr. Xu Ruixin (Honourable Chairman), Mr. Yang Songsheng (Chairman), Dr. Mo Shikang (Deputy Chairman), Mr. Zhang Hesheng (Deputy Chairman), Mr. Yeung Paak Ching (Co-managing Director), Mr. Jin Song (Co-managing Director) and Mr. Chu Kin Wang Peleus, and three independent non-executive Directors, namely, Dr. Liu Junmin, Mr. Tan Qinglian and Mr. Sin Ka Man.

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

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