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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)

## **DISTRIBUTION OF THE CONSIDERATION SHARES**

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On 14 October 2014, the Board resolved to discontinue the identification of, and the negotiation with, potential Placing Agent in respect of the placing of the Consideration Shares and to start the preparation work in respect of the distribution of the Consideration Shares mentioned below. As at the date of this announcement, no Consideration Shares has been placed.

Pursuant to the Settlement Deed, should the Placing Agent fail to place all of the 1,727,729,582 Consideration Shares during the 2014 Placing Period, the Escrow Agent shall release and transfer the remaining Consideration Shares which are held in the escrow of the Escrow Agent to Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date (other than the Vendor) on a pro-rata basis. The beneficial ownership of the Consideration Shares shall be under the name of the Vendor until the register of members of the Company has been updated in respect of the distribution of the Consideration Shares to the Qualifying Shareholders.

### **Number of Consideration Shares to be received**

As at the date of this announcement, the total issued Shares are 5,809,954,136 Shares. Assuming that no new Share will be allotted and issued during the period commencing from the date of this announcement and up to 31 October 2014, the number of Consideration Shares which Qualifying Shareholder is entitled to receive will be calculated as follows:

$$\begin{array}{l} \text{Number of Consideration Shares to be} \\ \text{received} \\ \text{(round down to the nearest} \\ \text{whole number)} \end{array} = \frac{\text{Number of existing} \\ \text{Shares held on the Record Date}}{5,809,954,136 - 1,727,729,582} \times 1,727,729,582$$

For illustrative purpose, Qualifying Shareholders will be entitled to receive 846 Consideration Shares for every board lot of 2,000 Shares.

### **Trading of odd lots of Shares**

In order to facilitate the trading of odd lots of Shares, Astrum Capital Management Limited has been appointed to provide matching service, on a best efforts basis, to those Qualifying Shareholders who wish to acquire odd lots of Shares to make up a full board lot or to dispose of their holdings of odd lots of Shares for a period of 30 days immediately after the distribution of the Consideration Shares.

### **Despatch of share certificates**

It is expected that the certificates for the Consideration Shares will be despatched to the Qualifying Shareholders by ordinary post to their registered addresses in or around mid-December 2014 at their own risk.

*Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.*

Reference is made to (i) the circular of Chinese People Holdings Company Limited (the “**Company**”) dated 8 July 2013 (the “**Circular**”) in respect of, among other things, the entering into of the Settlement Deed; (ii) the announcement of the Company dated 24 July 2013 in respect of the finalisation of the 2013 Valuation of the Target Group; (iii) the announcement of the Company dated 11 April 2014 in respect of the preliminary assessment on the 2014 Valuation of the Target Group; (iv) the announcement of the Company dated 30 April 2014 in relation to the finalisation of the 2014 Valuation of the Target Group and the placing of the Consideration Shares; and (v) the announcement of the Company dated 21 May 2014 in respect of the lapse of the placing agreement (the “**May 2014 Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

### **DISTRIBUTION OF THE CONSIDERATION SHARES**

Subsequent to the lapse of the placing agreement as disclosed in the May 2014 Announcement, the Company has negotiated with various potential Placing Agents on the possible placing of the Consideration Shares. Unfortunately, no concrete terms could be reached. In view of the recent uncertainties in the Hong Kong financial market, the Board considered that it would be difficult to proceed with the placing of the Consideration Shares with favourable terms before 31 October 2014 (being the end of the six months period after the date of the 2014 Settlement Certificate). As such, on 14 October 2014, the Board resolved to discontinue the identification of, and the negotiation with, potential Placing Agent in respect of the placing of the Consideration Shares and to start the preparation work in respect of the distribution of the Consideration Shares mentioned below. As at the date of this announcement, no Consideration Shares has been placed.

Pursuant to the Settlement Deed, should the Placing Agent fail to place all of the 1,727,729,582 Consideration Shares during the 2014 Placing Period, the Escrow Agent shall release and transfer the remaining Consideration Shares which are held in the escrow of the Escrow Agent to Shareholders whose names appear on the register of members of the Company at the close of business on the last day of the 2014 Placing Period, i.e. 31 October 2014 (the “**Record Date**”) (other than the Vendor) on a pro-rata basis. The beneficial ownership of the Consideration Shares shall be under the name of the Vendor until the register of members of the Company has been updated in respect of the distribution of the Consideration Shares to the Qualifying Shareholders (*as defined below*).

### **Closure of register of members**

In order to determine the qualifying shareholders (the “**Qualifying Shareholders**”) who are entitled to the 1,727,729,582 Consideration Shares on a pro-rata basis, the register of members of the Company will be closed from Wednesday, 29 October 2014 to Friday, 31 October 2014 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the entitlement of the Consideration Shares, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 28 October 2014.

## Number of the Consideration Shares to be received

As at the date of this announcement, the total issued Shares are 5,809,954,136 Shares. Assuming that no new Share will be allotted and issued during the period commencing from the date of this announcement and up to 31 October 2014, the number of Consideration Shares which Qualifying Shareholder is entitled to receive will be calculated as follows:

$$\begin{array}{l} \text{Number of Consideration Shares to be} \\ \text{received} \\ \text{(round down to the nearest} \\ \text{whole number)} \end{array} = \frac{\text{Number of existing} \\ \text{Shares held on the Record Date}}{5,809,954,136 - 1,727,729,582} \times 1,727,729,582$$

The number of Consideration Shares to be received by each Qualifying Shareholder will be rounded down to the nearest whole number. For illustrative purpose, Qualifying Shareholders will be entitled to receive 846 Consideration Shares for every board lot of 2,000 Shares. No Qualifying Shareholder will be entitled to be received any fraction of a Share. Fractional entitlements resulting from the distribution of the Consideration Shares will be sold by the Company in the market for its own benefit.

## Trading of odd lots of Shares

Qualifying Shareholders should note that they may receive Consideration Shares which are not in multiple board lots of the Shares, and dealings in odd lots of the Shares may be at a price below the then prevailing market price of the Shares.

In order to facilitate the trading of odd lots of Shares, Astrum Capital Management Limited has been appointed to provide matching service, on a best efforts basis, to those Qualifying Shareholders who wish to acquire odd lots of Shares to make up a full board lot or to dispose of their holdings of odd lots of Shares for a period of 30 days immediately after the distribution of the Consideration Shares. Qualifying Shareholders who wish to make use of this matching service either to acquire odd lots of Shares to make up a full board lot or to dispose of their holdings of odd lots of Shares may, directly or through their brokers, contact Mr. Yam (telephone: (852) 3665 8168) of Astrum Capital Management Limited, 11/F, 122 QRC, Nos 122- 126 Queen's Road Central, Hong Kong at office hours during such period. Qualifying Shareholders should note that the matching of and the sale and purchase of odd lots of Shares is on a best efforts basis, and is not guaranteed and will depend on whether there are adequate amounts of odd lots of the Shares available for such matching. Qualifying Shareholders are advised to consult their own professional advisers if they are in doubt about the matching service described above.

## Arrangement for Overseas Shareholders

In respect of any Qualifying Shareholder whose address on the register of members of the Company on the Record Date is in a jurisdiction outside Hong Kong and whom the Directors, having made relevant enquiries, consider it unlawful or impracticable, to distribute the Consideration Shares, such Qualifying Shareholders (the "**Overseas Shareholders**") will not receive any Consideration Shares. Instead, the Consideration Shares which they would otherwise receive will be sold by the Company on their behalf at the prevailing market price as soon as reasonably practicable after distribution of the Consideration Shares and they will receive a cash amount equal to the net proceeds of such sale, if such net proceeds shall exceed HK\$100.00. The proceeds of such sale, net of expenses, will be paid to the Overseas Shareholders by cheques in Hong Kong dollars and by ordinary post to their registered addresses in or around mid-December 2014 at their own risk.

## Despatch of share certificates

It is expected that the certificates for the Consideration Shares will be despatched to the Qualifying Shareholders by ordinary post to their registered addresses in or around mid-December 2014 at their own risk.

## Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or dealing in the Consideration Shares. It is emphasised that none of the Company or its Directors accept responsibility for any tax effects or liability of holders of the Consideration Shares resulting from holding or disposal of, or dealing in the Consideration Shares.

## Effects on the shareholding structure of the Company

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the distribution of the Consideration Shares are summarised as follows:

| Shareholders                                 | As at the date of this<br>Announcement |                  | Immediately after the<br>distribution of<br>the Consideration Shares |               |
|--|--|------------------|--|---------------|
|  | No. of Shares                          | Approximate<br>% | No. of Shares  | Approximate%  |
| <i>Directors</i>                             |  |                  |  |               |
| Dr. Mo Shikang <sup>1</sup>                  | 427,841,375                            | 7.36             | 608,917,695  | 10.48         |
| Mr. Zhang Hesheng <sup>1</sup>               | 227,138,793                            | 3.91             | 323,271,283  | 5.56          |
| Mr. Chu Kin Wang Peleus <sup>1 &amp; 2</sup> | 9,840,000                              | 0.17             | 14,004,607   | 0.24          |
| <b>The Vendor</b>                            | 1,727,729,582                          | 29.74            | -  | -             |
| <b>Public Shareholders</b>                   | 3,417,404,386                          | 58.82            | 4,863,760,551  | 83.71         |
| <b>Total</b>                                 | <b>5,809,954,136</b>                   | <b>100.00</b>    | <b>5,809,954,136</b>   | <b>100.00</b> |

Notes:

1. Dr. Mo Shikang, Mr. Zhang Hesheng and Mr. Chu Kin Wang Peleus are the Directors.
2. This represents interests legally and beneficially held by the spouse of Mr. Chu Kin Wang Peleus.

## GENERAL

Further announcement(s) will be made by the Company in respect of the date of despatch of share certificates and further details of arrangement for Overseas Shareholders.

*Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.*

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

Beijing, 14 October 2014

*As at the date of this announcement, the Board comprises four Executive Directors, namely, Dr. Mo Shikang (Chairman), Mr. Zhang Hesheng (Deputy Chairman), Mr. Jin Song (Managing Director) and Mr. Chu Kin Wang Peleus, and three Independent Non-executive Directors, namely, Dr. Liu Junmin, Prof. Zhao Yanyun and Mr. Sin Ka Man.*