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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:

(1) ARRANGEMENT FOR OVERSEAS SHAREHOLDERS; AND

(2) DESPATCH OF SHARE CERTIFICATES

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; (v) the announcement of the Company dated 21 May 2014 in respect of the lapse of the placing agreement; and (vi) the announcement of the Company dated 14 October 2014 in respect of the distribution of the Consideration Shares (the “**October 2014 Announcement**”). Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular and the October 2014 Announcement.

Arrangement for Overseas Shareholders

As at the Record Date, there were nine (9) Qualifying Shareholders whose addresses on the register of members of the Company on the Record Date are in jurisdictions outside Hong Kong (the “**Overseas Shareholders**”). Their respective addresses registered in six (6) jurisdictions, namely Canada, England, Japan, Macau, New Zealand and the PRC. The Company has sought the advice of overseas legal advisers in relation to, among other things, the legality and practicability of the distribution of the Consideration Shares to the Overseas Shareholders. The Board was advised that there are no legal restrictions under the applicable legislation of England, Japan, Macau, New Zealand and the PRC in relation to the distribution of the Consideration Shares under the Settlement Deed to the relevant Overseas Shareholders.

However, the Company was advised by its legal advisers on the laws of Canada that the Company would need to take additional steps to conduct proper filing or make relevant exemption of prospectus filing request with the relevant securities authorities in Canada for the distribution of the Consideration Shares under the Settlement Deed to the two Overseas Shareholders with addresses

registered in Canada (the “**Excluded Shareholders**”). Having considered (i) the legal costs and procedures for compliance with the relevant legal and regulatory requirements of the regulatory bodies in Canada; and (ii) the minimal size of the shareholding of 600 Shares held by the Excluded Shareholders as at the Record Date, the Directors are of the opinion that it would be necessary or expedient not to distribute the Consideration Shares to the Excluded Shareholders. Accordingly, no Consideration Shares will be distributed to the Excluded Shareholders. Instead, the Consideration Shares which the Excluded Shareholders 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 the Excluded Shareholders will receive a cash amount equal to the net proceeds of such sale if such net proceeds exceed HK\$100.00. The proceeds of such sale, net of expenses, will be paid to the Excluded Shareholders by cheques in Hong Kong dollars and by ordinary post to their registered addresses in or around the middle of December 2014 at their own risk.

Nevertheless, the Overseas Shareholders who are in any doubt as to their position should consult their own professional advisers. It is the responsibility of the Overseas Shareholders who receive the Consideration Shares under the Settlement Deed to comply with the laws of the relevant jurisdictions including obtaining all necessary governmental or other regulatory consents or other similar formalities. Overseas Shareholders who receive the Consideration Shares must also comply with any restrictions on the resale or trading of the Consideration Shares which may apply to them.

Despatch of share certificates

It is expected that the certificates for the Consideration Shares will be despatched to the Qualifying Shareholders (excluding the Excluded Shareholders) by ordinary post to their registered addresses in or around the middle of 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.

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

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

Beijing, 5 November 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.