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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 –
DISPOSAL OF 100% INTEREST IN TIAN AN TRADING**

The Board is pleased to announce that on 31 December 2007, the Seller, being a wholly-owned subsidiary of the Company, entered into two Equity Transfer Agreements for the Disposal of 95% and 5% interests in Tian An Trading to Tian An Group and Mr. Ma respectively, at a total consideration of RMB134,320,000 (approximately HK\$139,917,000). Upon the completion of the Disposal, Tian An Trading shall cease to be an indirect wholly-owned subsidiary of the Company.

On 31 December 2007, the Seller also entered into the Debt Transfer Agreement with Tian An Group, Mr. Ma and Tian An Trading, pursuant to which Tian An Group and Mr. Ma shall jointly assume the debt of RMB134,320,000 (approximately HK\$139,917,000) owed to Tian An Trading by the Seller, in consideration of that Tian An Group and Mr. Ma shall not need to pay the total consideration of RMB134,320,000 (approximately HK\$139,917,000) to the Seller for the Disposal.

The Disposal constitutes a discloseable transaction on the part the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders of the Company as soon as practicable.

* *for identification purpose only*

INTRODUCTION

The Board is pleased to announce that on 31 December 2007, the Seller, being a wholly-owned subsidiary of the Company, entered into two Equity Transfer Agreements for the Disposal of 95% and 5% interests in Tian An Trading to Tian An Group and Mr. Ma respectively, at a total consideration of RMB134,320,000 (approximately HK\$139,917,000). Upon the completion of the Disposal, Tian An Trading shall cease to be an indirect wholly-owned subsidiary of the Company.

On 31 December 2007, the Seller also entered into the Debt Transfer Agreement with Tian An Group, Mr. Ma and Tian An Trading, pursuant to which Tian An Group and Mr. Ma shall jointly assume the debt of RMB134,320,000 (approximately HK\$139,917,000) owed to Tian An Trading by the Seller in consideration of that Tian An Group and Mr. Ma shall not need to pay the total consideration of RMB134,320,000 (approximately HK\$139,917,000) to the Seller for Disposal.

The Disposal constitutes a discloseable transaction on the part the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders of the Company as soon as practicable.

I. THE TIAN AN AGREEMENT

Date

31 December 2007

Parties

Seller, a wholly-owned subsidiary of the Company; and

Tian An Group, a company principally engaged in the operation of bowling halls, snookers rooms and gymnasium, and in interior and external design.

To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, Tian An Group and its beneficial owners are third parties independent of, and not connected with, the Company and any of its connected persons.

There was no prior business relationship or transactions between the Group and Tian An Group and its beneficial owners which would require aggregation under the Listing Rules.

Assets to be disposed

The asset to be disposed by the Seller is the 95% interest in Tian An Trading.

Consideration

Pursuant to the Tian An Agreement, the Seller has agreed to dispose of 95% interest in Tian An Trading to Tian An Group at a consideration of RMB127,604,000 (approximately HK\$132,921,000), which was arrived at after arm's length negotiations between the parties with reference to the book value of the Tian An Trading of approximately RMB129,673,000 (approximately HK\$135,076,000) as at 30 September 2007 and the intra-Group debt of RMB134,320,000 (approximately HK\$139,917,000) owed by Seller to Tian An Trading. Under the Tian An Agreement and the Debt Transfer Agreement, the consideration shall be settled by Tian An Group by way of assuming the debt owed by the Seller to Tian An Trading.

II. THE MR. MA'S AGREEMENT

Date

31 December 2007

Parties

Seller, a wholly-owned subsidiary of the Company; and

Mr. Ma, a PRC citizen.

To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, Mr. Ma is a third party independent of, and not connected with, the Company and any of its connected persons.

There was no prior business relationship or transactions between the Group and Mr. Ma which would require aggregation under the Listing Rules.

Assets to be disposed

The asset to be disposed by the Seller is the 5% interest in Tian An Trading.

Consideration

Pursuant to the Mr. Ma's Agreement, the Seller has agreed to dispose of 5% interest in Tian An Trading to Mr. Ma at a consideration of RMB6,716,000 (approximately HK\$6,996,000), which was arrived at after arm's length negotiations between the parties with reference to the book value of Tian An Trading of approximately RMB129,673,000 (approximately HK\$135,076,000) as at 30 September 2007 and the intra-Group debt of RMB134,320,000 (approximately HK\$139,917,000) owed by Seller to Tian An Trading. Under the Mr. Ma's Agreement and the Debt Transfer Agreement, the consideration shall be settled by Mr. Ma by way of assuming the debt owed by the Seller to Tian An Trading.

Completion of the Tian An Agreement and the Mr. Ma's Agreement

Upon the completion of the Tian An Agreement and the Mr. Ma's Agreement, Tian An Trading shall cease to be an indirect wholly-owned subsidiary of the Company and the Group will cease to hold any interests in Tian An Trading.

III. THE DEBT TRANSFER AGREEMENT

Date

31 December 2007

Parties

Seller, a wholly-owned subsidiary of the Company;

Tian An Group, a company principally engaged in the operation of bowling halls, snookers rooms and gymnasium, and in interior and external design;

Mr. Ma, a PRC citizen; and

Tian An Trading, a company principally engaged in sales and distribution of construction materials, household appliances, stationeries, office equipments and textile materials.

To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, Tian An Group and Mr. Ma are third parties independent of, and not connected with, the Company and any of its connected persons. Before the completion of the Disposal, Tian An Trading was an indirect wholly-owned subsidiary of the Company.

Terms of the Debt Transfer Agreement

Under the Debt Transfer Agreement, the parties have agreed and confirmed that Tian An Group and Mr. Ma shall jointly assume the debt of an aggregate amount of RMB134,320,000 (approximately HK\$139,917,000) owed to Tian An Trading by the Seller and the Seller shall cease to have any obligation and liability on repayment to Tian An Trading. In consideration of that, Tian An Group and Mr. Ma shall not need to pay the total consideration of RMB134,320,000 (approximately HK\$139,917,000) to the Seller for the transfer of Tian An Trading's equity interest under the Equity Transfer Agreements.

INFORMATION ON TIAN AN TRADING

Tian An Trading is an entity established in the PRC in 2000 under the PRC laws, with a registered capital of RMB140,000,000 (approximately HK\$145,833,000), and is principally engaged in sales and distribution of construction materials, household appliances, stationeries, office equipments and textile materials. It currently does not have any business operation.

The net loss of Tian An Trading before and after taxation and extraordinary items for the financial year ended 31 March 2006 are approximately RMB131,000 (approximately HK\$136,000) and RMB131,000 (approximately HK\$136,000) respectively. The net loss of Tian An Trading before and after taxation and extraordinary items for the financial year ended 31 March 2007 are approximately RMB230,000 (approximately HK\$239,000) and RMB230,000 (approximately HK\$239,000) respectively.

The total net asset value and net liabilities value of Tian An Trading (disregarding the intra-Group debt of RMB134,320,000 (approximately HK\$139,917,000) owed by Seller to Tian An Trading) as at 30 September 2007 were approximately RMB129,673,000 (approximately HK\$135,076,000) and approximately RMB4,647,000 (approximately HK\$4,840,000) respectively.

It is expected that the Group will record a consolidated loss of approximately HK\$5,615,000 on the Disposal based on the net asset value of Tian An Trading as at 30 September 2007 and corresponding goodwill of approximately RMB129,673,000 (approximately HK\$135,076,000) and RMB10,038,000 (approximately HK\$10,456,000) respectively as recorded in the books of the Group.

REASONS FOR THE DISPOSAL

The Group is principally engaged in transmission, distribution, supplies and connection of piped natural gas, transportation, distribution and retailing of bottled liquefied petroleum gas as well as supply of video lottery systems and equipment in the PRC.

Tian An Trading currently does not have any active business operation and, therefore will not contribute to the earnings of the Group. Its scope of business is also not in line with the development plan of the Group. The Directors are of the view that, in the long run, the Disposal will be able to optimise the business structure and streamline administrative expenses of the Group, which are in line with the future development strategy of the Group.

The Directors (including the independent non-executive Directors of the Company) are of the view that the terms of the Equity Transfer Agreements and the Debt Transfer Agreement are arrived at after arm's length negotiations between the parties, are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

GENERAL

The Disposal constitutes a discloseable transaction on the part the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposal will be despatched to the Shareholders of the Company as soon as practicable.

DEFINITIONS

“Board”	the board of Directors
“Company”	Chinese People Holdings Company Limited, an exempted company incorporated in Bermuda with limited liability and the issued Shares of which are listed on main board of the Stock Exchange
“Debt Transfer Agreement”	the agreement dated 31 December 2007 and entered into among the Seller, Tian An Group, Mr. Ma and Tian An Trading pursuant to which the debt owed to Tian An Trading by the Seller shall be jointly assumed by Tian An Group and Mr. Ma in lieu of their respective payment obligation under the Equity Transfer Agreements and the Seller will cease to have any obligation and liability to repay Tian An Trading
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the entire interests in Tian An Trading by the Seller as to 95% and 5% respectively to Tian An Group and Mr. Ma pursuant to the terms and conditions of the Equity Transfer Agreements and the Debt Transfer Agreement
“Equity Transfer Agreements”	together the Tian An Agreement and the Mr. Ma’s Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company or any of its connected persons

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ma”	馬春生 (Mr. Ma Chunsheng), a citizen of the PRC
“Mr. Ma’s Agreement”	the agreement dated 31 December 2007 entered into between the Seller and Mr. Ma in relation to the disposal of 5% interest in Tian An Trading
“PRC”	the People’s Republic of China
“Seller”	北京中民燃氣有限公司 (Beijing Zhongmin Gas Company Limited*), an enterprise established under the PRC laws and a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share of HK\$0.07 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tian An Agreement”	the agreement dated 31 December 2007 entered into between the Seller and Tian An Group in relation to the disposal of 95% interest in Tian An Trading
“Tian An Group”	合肥天安集團有限公司 (Hefei Tian An Group Co Ltd*), a company established in the PRC with limited liability and an Independent Third Party
“Tian An Trading”	合肥天安經貿有限公司 (Hefei Tian An Trading Co Ltd*), a wholly foreign-owned enterprise established under the PRC laws and an indirect wholly-owned subsidiary of the Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

For the purpose of this announcement and for reference only, the following exchange rate has been used:

HK\$100 = RMB96

As at the date of this announcement, the Directors of the Company are as follows:

Executive Directors:

Mr. Xu Ruixin

Dr. Mo Shikang

Mr. Zhu Peifeng

Mr. Zhang Hesheng

Mr. Jin Song

Mr. Wong Ching

Independent non-executive Directors:

Mr. Liu Junmin

Mr. Tan Qinglian

Mr. Sin Ka Man

By order of the Board

Chinese People Holdings Company Limited

Jin Song

Managing and Executive Director

Beijing, 2 January 2008