
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Chinese People Holdings Company Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

MAJOR TRANSACTIONS SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

A letter from the Board is set out on pages 5 to 13 of this circular

Capitalised terms used in this cover page shall have the same meanings at those defined in the section headed “Definitions” of this circular.

A notice convening the SGM of the Company to be held at the head office of Chinese People Holdings Company Limited, Conference Room, 1st Floor, No. 36 BDA International Business Park, No.2 Jingyuan North Street, Economic Technological Development Area, Beijing, 100176, China on Friday, 12 June 2020 at 10:00 a.m. is set out on pages 23 to 25 of this circular.

Precautionary measures and special arrangements for the SGM

Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the SGM with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; (b) complete a health declaration (a copy of the form is enclosed with this circular), which may be used for contact tracing, if required; and (c) wear surgical masks prior to admission to the SGM venue; (ii) attendees who are subject to health quarantine prescribed by the PRC Government not being admitted to the SGM venue; (iii) all attendees being required to wear surgical masks throughout the SGM; (iv) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (v) no refreshment packs or coffee/tea being provided.

The Company reminds attendees that they should carefully consider the risks of attending the SGM, taking into account their own personal circumstances. Furthermore, the Company would like to remind Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the chairman of the SGM as their proxy and submit their form of proxy as early as possible. The form of proxy can be downloaded from the Company’s website (www.681hk.com) or the Stock Exchange’s website.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 54th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	:	the announcement of the Company dated 3 April 2020
“Beijing Civigas”	:	北京中民燃氣有限公司 (Beijing Civigas Co., Ltd.*), a company established in the PRC with limited liability, an investment holding company and its 100% equity interest held by the Company
“Board”	:	the board of directors of the Company
“CCB”	:	Beijing Economic and Technological Development Area Branch of China Construction Bank Corporation
“CCB I Subscription”	:	the subscription of the CCB Wealth Management Products I offered by CCB with an amount of RMB170 million on 2 April 2019
“CCB Wealth Management Product I”	:	“乾元-滿溢”30天開放式資產組合型人民幣理財產品 (“Qiannyuan-Manyi” 30-day Open-ended Assets Portfolio RMB Wealth Management Product*) of CCB
“CCB Wealth Management Products”	:	collectively CCB Wealth Management Product I and wealth management products subscribed by Beijing Civigas under CCB
“CIB”	:	Beijing Economic and Technological Development Area Branch of Industrial Bank Co., Ltd.
“CIB I Second Subscription”	:	the subscription of the CIB Wealth Management Products I offered by CIB with an amount of RMB100 million on 28 June 2019
“CIB II First Subscription”	:	the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB70 million on 17 May 2019
“CIB II Second Subscription”	:	the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB100 million on 2 August 2019

* *for identification purpose only*

DEFINITIONS

- “CIB II Third Subscription” : the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB70 million on 22 August 2019
- “CIB II Fourth Subscription” : the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB100 million on 11 November 2019
- “CIB II Fifth Subscription” : the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB60 million on 26 November 2019
- “CIB II Sixth Subscription” : the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB100 million on 14 February 2020
- “CIB II Seventh Subscription” : the subscription of the CIB Wealth Management Products II offered by CIB with an amount of RMB60 million on 4 March 2020
- “CIB Wealth Management Product I” : “金雪球-優悅”非保本開放式人民幣理財產品(1個月)(“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (1 Month)*) of CIB
- “CIB Wealth Management Product II” : “金雪球-優悅”非保本開放式人民幣理財產品(3個月)(“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (3 Months)*) of CIB
- “CIB Wealth Management Products I & II” : collectively as CIB Wealth Management Product I and CIB Wealth Management II
- “close associate” : has the meaning ascribed to it under the Listing Rules
- “Company” : Chinese People Holdings Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
- “Directors” : the directors of the Company
- “Group” : the Company and its subsidiaries
- “HK\$” : Hong Kong dollars, the lawful currency of Hong Kong

* *for identification purpose only*

DEFINITIONS

“Independent Third Party (ies)”	:	third party(ies) (and where the third party is a corporation, such corporation and its ultimate beneficial owners) who is/are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	:	21 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Wealth Management Products”	:	collectively as CCB I Subscription, CIB I Second Subscription, CIB II First Subscription, CIB II Second Subscription, CIB II Third Subscription, CIB II Fourth Subscription, CIB II Fifth Subscription, CIB II Sixth Subscription and CIB II Seventh Subscription
“PRC”	:	the People’s Republic of China, which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Government”	:	means the Government of the PRC
“RMB”	:	Renminbi, the lawful currency of the PRC
“SFO”	:	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Special General Meeting”, “SGM”	:	the special general meeting of the Company to be convened and held at the head office of Chinese People Holdings Company Limited, Conference Room, 1st Floor, No. 36 BDA International Business Park, No. 2 Jingyuan North Street, Economic Technological Development Area, Beijing, China on Friday, 12 June 2020 at 10:00 a.m. or any adjournment thereof, to consider and, if thought fit, approve the agreements for the subscription of the Major Wealth Management Products and the transactions contemplated thereunder
“Shares”	:	ordinary issued share(s) of HK\$0.07 each in the capital of the Company
“Shareholders”	:	holders of the Shares

DEFINITIONS

- “Stock Exchange” : The Stock Exchange of Hong Kong Limited
- “Xi’an Civigas” : 西安中民燃氣有限公司 (Xi’an Civigas Co., Ltd.*), a company established in the PRC with limited liability, and principally engaged in sales and distribution of gas, design of gas pipeline and related maintenance business in Xi’an city, Shaanxi Province, the PRC and 51% owned subsidiary of the Group
- “%” : percent

* *for identification purpose only*

LETTER FROM THE BOARD



CHINESE PEOPLE HOLDINGS COMPANY LIMITED 中民控股有限公司

(incorporated in Bermuda with limited liability) (stock code: 681)

Executive Directors:

Dr. Mo Shikang (*Chairman*)
Mr. Zhang Hesheng
Mr. Chu Kin Wang Peleus
Mr. Fan Fangyi
Miss Mo Yunbi

Independent non-executive Directors:

Dr. Liu Junmin
Prof. Zhao Yanyun
Mr. Sin Ka Man

Registered office:

Victoria Place,
5th Floor
31 Victoria Street,
Hamilton HM 10,
Bermuda

Head office:

No. 36 BDA International Business Park
No. 2 Jingyuan North Street Economic
Technological Development Area
Beijing, 100176, China

***Principal place of business
in Hong Kong:***

Unit 1101, 11th Floor
Tung Ning Building
2 Hillier Street, Central
Hong Kong

26 May 2020

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

INTRODUCTION

Reference is made to the Announcement in relation to the subscription of wealth management products.

LETTER FROM THE BOARD

During the period from 2 April 2019 to 4 March 2020, Beijing Civigas and Xi'an Civigas (both of which are subsidiaries of the Company) had subscribed for wealth management products offered by CCB and CIB respectively, pursuant to which Beijing Civigas had subscribed for the following Major Wealth Management Products:

CCB I Subscription in the amount of RMB170,000,000;

CIB I Second Subscription in the amount of RMB100,000,000;

CIB II First Subscription in the amount of RMB70,000,000;

CIB II Second Subscription in the amount of RMB100,000,000;

CIB II Third Subscription in the amount of RMB70,000,000;

CIB II Fourth Subscription in the amount of RMB100,000,000;

CIB II Fifth Subscription in the amount of RMB60,000,000;

CIB II Sixth Subscription in the amount of RMB100,000,000; and

CIB II Seventh Subscription in the amount of RMB60,000,000.

The purpose of this circular is to provide the Shareholders with, among other things: (i) further information on the Major Wealth Management Products and the transactions contemplated thereunder; (ii) financial information of the Group; and (iii) other information as required under the Listing Rules.

SUBSCRIPTION OF MAJOR WEALTH MANAGEMENT PRODUCTS

The principal terms of respective Major Wealth Management Products are as follows:

(I) CCB Wealth Management Products I

Parties : Beijing Civigas; and
CCB

To the best knowledge, information and belief of the Directors, CCB and its ultimate beneficial owners are Independent Third Parties

LETTER FROM THE BOARD

Name of wealth management product	:	“乾元-滿溢”30天開放式資產組合型人民幣理財產品 (“Qiannyuan-Manyi” 30-day Open-ended Assets Portfolio RMB Wealth Management Product*) (Product code: C1010517A002942)
Type of wealth management product	:	Non-principal guaranteed with floating return
Internal risk rating of wealth management product	:	Lower-risk (the risk rating is the internal rating result of CCB, for reference only)
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in debt, bond and money market instruments and other portfolios that are in compliance with regulatory requirements
Expected rate of investment return	:	3.3% (annualised rate of return after deducting the costs of this wealth management product)

Details of subscription and redemption of the CCB Wealth Management Product I are as follow:

Date	Subscription/redemption	CCB Wealth Management Product I subscription (redemption) amount <i>RMB'000</i>	Outstanding balance for CCB Wealth Management Products at subscription date <i>RMB'000</i>
2 April 2019	Subscription (CCB I Subscription)	170,000	170,000
7 May 2019	Redemption on maturity	(170,000)	–

Investment income from the above CCB Wealth Management Product I was approximately RMB538,000. As at the Latest Practicable Date, Beijing Civigas did not hold CCB Wealth Management Product I.

* *for identification purposes only*

LETTER FROM THE BOARD

(II) CIB Wealth Management Product

(a) CIB Wealth Management Product I

Parties	:	Beijing Civigas; and CIB
		To the best knowledge, information and belief of the Directors, CIB and its ultimate beneficial owners are Independent Third Parties
Name of wealth management product	:	“金雪球-優悅”非保本開放式人民幣理財產品(1個月)(“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (1 Month)*) (Product code: C1030917A000713)
Type of wealth management product	:	Non-principal-guaranteed and open-ended
Internal risk rating of wealth management product	:	Low-risk (the risk rating is the internal rating result of CIB, for reference only)
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in bond investments, non-standardised debt assets and equity investments and other portfolios that are in compliance with regulatory requirements
Expected rate of investment return	:	3.8% (annualised rate of return after deducting the costs of this wealth management product)

* for identification purpose only

LETTER FROM THE BOARD

(b) CIB Wealth Management Product II

Parties	:	Beijing Civigas; and CIB
Name of wealth management product	:	“金雪球-優悅”非保本開放式人民幣理財產品 (3個月)(“Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (3 Months)*) (Product code: C1030916A003467)
Type of wealth management product	:	Non-principal-guaranteed and open-ended
Internal risk rating of wealth management product	:	Low-risk (the risk rating is the internal rating result of CIB, for reference only)
Investment portfolio	:	The funds raised through the issuance of this wealth management product will be invested in bond investments, non-standardised debt assets and equity investments and other portfolios that are in compliance with regulatory requirements
Expected rate of investment return	:	3.8% (annualised rate of return after deducting the costs of this wealth management product)

Details of subscription and redemption of the CIB Wealth Management Products I & II are as follow:

Date	Subscription/ redemption	CIB Wealth	CIB Wealth	Total
		Management Product I subscription (redemption) amount RMB'000	Management Product II subscription (redemption) amount RMB'000	outstanding balance for CIB Wealth Management Products I & II at respective subscription date RMB'000
14 May 2019	Subscription	100,000	–	100,000
17 May 2019	Subscription (CIB II First Subscription)	–	70,000	170,000

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LETTER FROM THE BOARD

Date	Subscription/ redemption	CIB Wealth Management Product I subscription (redemption) amount <i>RMB'000</i>	CIB Wealth Management Product II subscription (redemption) amount <i>RMB'000</i>	Total outstanding balance for CIB Wealth Management Products I & II at respective subscription date <i>RMB'000</i>
17 June 2019	Redemption on maturity	(100,000)	–	70,000
28 June 2019	Subscription (CIB I Second Subscription)	100,000	–	170,000
1 August 2019	Redemption on maturity	(100,000)	–	70,000
2 August 2019	Subscription (CIB II Second Subscription)	–	100,000	170,000
20 August 2019	Redemption on maturity	–	(70,000)	100,000
22 August 2019	Subscription (CIB II Third Subscription)	–	70,000	170,000
5 November 2019	Redemption on maturity	–	(100,000)	70,000
11 November 2019	Subscription (CIB II Fourth Subscription)	–	100,000	170,000
26 November 2019	Redemption on maturity	–	(70,000)	100,000
26 November 2019	Subscription (CIB II Fifth Subscription)	–	60,000	160,000
12 February 2020	Redemption on maturity	–	(100,000)	60,000
14 February 2020	Subscription (CIB II Sixth Subscription)	–	100,000	160,000
4 March 2020	Redemption on maturity	–	(60,000)	100,000
4 March 2020	Subscription (CIB II Seventh Subscription)	–	60,000	160,000
18 May 2020	Redemption on maturity	–	(100,000)	60,000
20 May 2020	Subscription	–	10,000	70,000

Total investment income from the above CIB Wealth Management Product I & II for the period from 14 May 2019 to the date of this circular were approximately RMB666,000 and RMB4,699,000 respectively. As at the Latest Practicable Date of this circular, Beijing Civigas still holds RMB70 million of the CIB Wealth Management Product II.

LETTER FROM THE BOARD

REASONS AND BENEFITS FOR THE SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCTS

The Board believes that without affecting its operating liquidity, the Company (through its subsidiaries) can utilise part of its idle funds to subscribe for bank wealth management products, which can provide a higher interest rates than current fixed deposit rates offered by banks or other licensed financial institutions. In view of the high security of wealth management products due to their risk rating of moderate to low risk, the Board believes that such subscriptions will not adversely affect the working capital of the Group. Therefore, the Directors consider that the wealth management products are conducted on normal commercial terms in the ordinary course of business of the Group and are in the interests of the Company and its Shareholders.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the sales and distribution of gas fuel including the provision of piped gas, sales and distribution of cylinder gas and fast-moving consumer goods (“FMCG”) and food ingredients supply in the PRC.

Beijing Civigas is a company established in the PRC with limited liability and principally engaged in investment holding.

Xi’an Civigas is a company established in the PRC with limited liability and principally engaged in sales and distribution of gas, design of gas pipeline and related maintenance in Xi’an city, Shaanxi Province, the PRC.

CCB is a large state-owned commercial bank and the controlling shareholder is Central Huijin Investment Ltd. (a state-owned enterprise).

CIB is a national joint-stock commercial bank, and the Fujian Provincial Department of Finance is its single largest shareholder.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

Major Transactions

At the relevant time, as one of the applicable percentage ratios for each of the CCB I Subscription, the CIB I Second Subscription, the CIB II First Subscription, the CIB II Second Subscription, the CIB II Third Subscription, the CIB II Fourth Subscription, the CIB II Fifth Subscription, the CIB II Sixth Subscription and the CIB II Seventh Subscription exceeds 25% but is less than 100% under Chapter 14 of the Listing Rules, each of the CCB I Subscription, the CIB I Second Subscription, the CIB II First Subscription, the CIB II Second Subscription, the CIB II Third Subscription, the CIB II Fourth Subscription and the CIB II Fifth Subscription, the CIB II Sixth Subscription and the CIB II Seventh Subscription constituted a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

NON-COMPLIANCE

The omission by the Company to comply with the Listing Rules requirements to make timely disclosure for the transactions was due to inadvertent mistake from the management of the Company having believed that they would be treated as if they were akin to structured term deposit with higher interest income, which would not constitute "transactions" under Chapter 14 of the Listing Rules. The agreements for the subscription of the wealth management products were treated internally as if they were not discloseable under Chapter 14 of the Listing Rules.

The Company wishes to apologise in this regard and now publishes this circular to provide details of the transactions. To avoid any similar delay in the future and to tighten the Group's internal control procedures, the Company will

- (i) review and oversee the legal and regulatory compliance procedures and internal controls of the Group to ensure that all existing and further transactions of the Company fully comply with the Listing Rules;
- (ii) provide written guideline on the procedures for similar transactions to all Directors, senior management and relevant personnel of the Company, which would include requiring prior notification to another executive Director and the Company Secretary before entering into similar transactions; and
- (iii) provide further training to the Directors, the senior management and the relevant personnel of the Company to help them better understand the requirements of the Listing Rules and identify any potential notifiable transactions of the Group on a timely basis.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39 (4) of the Listing Rules, the relevant resolutions to be approved in respect of the agreements for the subscription of the Major Wealth Management Products at the SGM will be taken by way of poll.

SGM

The Company will convene the SGM on 12 June 2020 for the Shareholders to, amongst others, consider and, if thought fit, (i) approve, confirm and ratify the subscription agreements of the Major Wealth Management Products and the transaction contemplated thereunder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective close associates have any material interest in the subscription agreements of the Major Wealth Management Products and the transaction contemplated thereunder. As such, no Shareholder is required to abstain from voting under the Listing Rules on the resolutions to be proposed at the SGM.

RECOMMENDATION

The Directors consider that the subscription agreements of the Major Wealth Management Products and their terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions in the upcoming SGM to approve, confirm and ratify the subscription agreements of the Major Wealth Management Products and the transaction contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board
Chinese People Holdings Company Limited
Mr. Fan Fangyi
Managing Director and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the year ended 31 March 2017, 2018 and 2019 and the six months ended 30 September 2019 are disclosed in the annual reports of the Company for the years ended 31 March 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 September 2019 respectively that are available on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (<http://www.681hk.com>).

2. INDEBTEDNESS STATEMENT

Indebtedness

As at the close of business on 31 March 2020, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of the circular, the Group had the following indebtedness:

	<i>RMB'000</i>
Indebtedness – secured	113,700
Indebtedness – unsecured	18,000
Lease liabilities	24,491
	<hr/>
	156,191
	<hr/> <hr/>

Certain bank borrowings of the Group were pledged by property, plant and equipment, investment properties, exclusive rights of operation of piped gas and right-of-use assets.

Contingent liabilities

Beijing Civigas together with the joint venture partner entered into guarantee agreements with a bank, whereby Beijing Civigas and the joint venture partner have agreed to provide a joint and several corporate guarantee in favour of bank for the loan facility amount of RMB150,000,000 granted to Fujian Province An Ran Gas Investment Co., Ltd. (“**Fujian An Ran**”) (as borrower), a joint venture of the Group. Up to 31 March 2020, Fujian An Ran has drawn RMB80,000,000 of the facility line.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on 31 March 2020, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any term loans (secured, unsecured, guaranteed or not), any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments (whether secured or unsecured, guaranteed or not), any mortgages or charges, or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed above, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2019, being the date to which the latest audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, after due and careful enquiry and that the persons or institutions providing finance have stated in writing that the relevant financing facilities exist and after taking into account the existing bank balances and cash and internal resources, the Group will have sufficient working capital for its present requirements for a period of at least twelve months from the date of this circular, in the absence of unforeseeable circumstances.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the sales and distribution of fuel gas including the provision of piped gas, sales and distribution of cylinder gas and FMCG and food ingredients supply in the PRC.

As disclosed in the Company's annual report for the year ended 31 March 2019, revenue from operations of the Group amounted to approximately RMB1,955 million (2018: RMB1,200 million), representing a year-on-year increase of 62.91%, while profit for the ended 31 March 2019 was approximately RMB215.70 million (2018: RMB229.91 million), representing a year-on-year decrease of 6.18%. The overall gross profit margin of the Group was 17.65% (2018: 24.84%), representing a decrease of 7.19 percentage point as compared with last year. The decrease in gross profit margin was mainly due to the increase in sales proportion of cylinder gas (with lower margin) as a recurring income; keen competition for new projects located and the increase in its average purchase and operational costs.

Piped gas business is our main business and our main source of income. During the year ended 31 March 2019, revenue of approximately RMB938,968,000 was recorded from our provision of piped gas business, representing a year-on-year increase of RMB367,275,000 or 64.24% over last year, which accounted for approximately 48.02% (2018: 47.63%) of our total revenue. The overall gross profit margin of provision of piped gas business for the Year was 15.60% (2018: 27.52%).

Cylinder gas business is another major business of the Group. During the year ended 31 March 2019, sales and distribution of cylinder gas from our subsidiary companies was 164,896 tons in total, representing an increase of 38.85% over the corresponding period of last year. Revenue from cylinder gas of the Group reached approximately RMB910,503,000, representing an increase of RMB282,271,000 or 44.93% over the corresponding period of last year. Revenue from cylinder gas accounted for approximately RMB46.56% (2018: 52.34%) of our total revenue. The gross profit margin of cylinder gas business was 20.75% (2018: 22.46%). The increase in sales volume and revenue are mainly due to the stable usage of C/I market, as well as the significant growth in Beijing-Tianjin-Hebei region. The decrease in gross profit margin is mainly due to the increase in its average purchase and operating costs.

The FMCG and food ingredients supply business is the new businesses that the Group began to focus on investment in the second half of 2018. The supply of food ingredients is mainly a one-stop service for the supply of fruits and vegetables, fresh produce, seasoning, dry foods and oil to commercial customers. The supply of FMCG provides goods and services for fixed community residents and mobility customers mainly through the chain of community supermarkets and convenience stores.

Looking forward, leveraging on the sound industry base and executive capability, the Group will make the best of the operating environment and national policies to develop piped gas and cylinder gas businesses. Meanwhile, motivated by a desire to maximise overall benefit, the Group will improve resource structure, stabilise existing business and explore new business to secure a stable and sustainable development.

6. FINANCIAL EFFECTS OF THE SUBSCRIPTION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

The fair value for each of the Major Wealth Management Products subscribed from CCB and CIB as at 30 September 2019 and 31 March 2020 were as follows:

	At 30 September 2019		At 31 March 2020	
	Outstanding subscription amount <i>RMB'000</i>	Fair value <i>RMB'000</i>	Outstanding subscription amount <i>RMB'000</i>	Fair value <i>RMB'000</i>
CIB II Second Subscription	100,000	100,573	–	–
CIB II Third Subscription	70,000	70,265	–	–
CIB II Sixth Subscription	–	–	100,000	100,447
CIB II Seventh Subscription	–	–	60,000	60,157
	170,000	170,838	160,000	160,604
	170,000	170,838	160,000	160,604

Investments in wealth management products were classified as financial assets at fair value through profit or loss (FVTPL). They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest. Changes in the fair value of financial assets at FVTPL are recognised in other gains and losses in the consolidated statement of profit or loss as applicable.

Up to the Latest Practicable Date, the Group received total investment income from Major Wealth Management Products amounted to approximately RMB5,559,000.

The fair value of the Major Wealth Management Products was amounted to an unaudited amount of RMB170,838,000 and RMB160,604,000 as at 30 September 2019 and 31 March 2020 respectively.

There is no financial effect of the subscription on the liabilities of the Group.

A. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

B. DISCLOSURE OF INTERESTS**(I) Interest of Directors and chief executives of the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) are required to be entered in the register pursuant to section 352 of the SFO; or (c) are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), were as follows:

	Personal interests ¹	Family interests	Corporate interests	Total	Approximate % of shareholding
Name of Directors					
Dr. Mo Shikang (“ Dr. Mo ”)	2,497,782,762	–	1,135,000,000 ³	3,632,782,762	40.66
Miss Mo Yunbi (“ Miss Mo ”)	–	–	1,135,000,000 ³	1,135,000,000	12.70
Mr. Zhang Hesheng	338,271,282	–	–	338,271,282	3.79
Mr. Chu Kin Wang Peleus	69,000,000	14,004,605 ²	–	83,004,605	0.93
Mr. Fan Fangyi	22,000,000	–	–	22,000,000	0.25
Dr. Liu Junmin	5,000,000	–	–	5,000,000	0.06
Prof. Zhao Yanyun	5,000,000	–	–	5,000,000	0.06

Notes:

1. This represents interests held by the relevant Directors as beneficial owner.
2. This represents interests legally and beneficially held by his spouse.
3. This represents interests legally and beneficially held by Ping Da Development Limited (“**Ping Da**”), a company beneficially owned 50% by Dr. Mo and 50% by Miss Mo.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, so far as the Directors were aware, the following Directors or proposed Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company
Dr. Mo (<i>Note</i>)	Ping Da
Miss Mo (<i>Note</i>)	Ping Da

Note:

Dr. Mo and Miss Mo are directors of Ping Da, which directly owns as to 12.70% of the entire issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(II) Directors' Service Contracts

Dr. Liu Junmin, Prof. Zhao Yanyun and Mr. Sin Ka Man, all being the independent non-executive Directors, have entered into service contracts with the Company for a term of 3 years but subject to retirement by rotation and re-election in accordance with the Company's bye-laws and the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service agreement with the Company (excluding contracts expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation)).

(III) Competing interests

As at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

(IV) Interests in assets

None of the Directors has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group since 31 March 2019, being the date to which the latest published audited financial statements of the Company were made up.

(V) Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement subsisting, and which was significant in relation to the business of the Group.

(VI) Material contracts

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts, not being contracts entered into the ordinary course of business, were entered into by the Group which are or may be material:

1. the bank borrowing agreement dated 29 September 2019 entered into the between Fujian An Ran (a joint venture of the Group, as the Borrower) and 中國郵政儲蓄銀行股份有限公司福州市分行 (Fuzhou branch of Postal Savings Bank of China Co., Limited* “PSB”) as the lender), pursuant to which PSB has agreed to lend and Fujian An Ran has agreed to borrow an one-year working capital loan of RMB20 million (the “Loan”);

On the same date, Beijing Civigas (as a guarantor) entered into a guarantee agreement with PSB whereby Beijing Civigas has agreed to provide a joint and several corporate guarantee in favour of PSB for the Loan granted to Fujian An Ran from PSB on proportion of 51% shareholding in Fujian An Ran held by Beijing Civigas. PSB has also agreed to provide Fujian An Ran further loan of RMB130 million by installments up to the one-year working capital loan facility for amount up to RMB150 million in which Beijing Civigas has agreed to provide a joint and several corporate guarantee in favour of PSB under the Loan facility on proportion of 51% shareholding in Fujian An Ran held by Beijing Civigas;

* *for identification purpose only*

2. the equity transfer agreement dated 22 March 2019 entered between Beijing Zhongmin Zhongfeng Information Technology Company Limited (“**Zhongmin Zhongfeng**”), an indirect wholly-owned subsidiary of the Company, and certain transferors (all of them are citizens of the PRC) pursuant to which Zhongmin Zhongfeng conditionally agreed to acquire and the transferors conditionally agreed to disposed of an aggregate of 73.50% equity interest in 北京中民道廷燃氣股份有限公司 (Beijing Civigas Daoting Gas Co., Ltd.*, formerly known as 北京光點互動科技股份有限公司 (Beijing Guangdian Interactive Technology Company Limited*)) at a total consideration of RMB6,321,000;
3. the equity transfer agreement dated 20 September 2018 entered between 北京中民若家供應鏈管理有限公司(Beijing Zhongmin Ruoja Supply Chain Management Co., Ltd.*, as the purchaser), an indirect wholly-owned subsidiary of the Company, and 重慶糧食集團有限責任公司 (Chongqing Grain Group Co., Ltd.*, as the seller) pursuant to which the purchaser has conditionally agreed to purchase from the seller and the seller has conditionally agreed to sell the purchaser 80% of the registered capital of 重慶渝百家超市連鎖有限責任公司 (Chongqing Yubaijia Supermarket Chain Co., Ltd.*) at the consideration of RMB14,814,000;
4. the subscription agreement for the CCB I Subscription; and
5. the subscription agreements for the CIB I Second Subscription, the CIB II First Subscription, the CIB II Second Subscription, the CIB II Third Subscription, the CIB II Fourth Subscription, the CIB II Fifth Subscription, the CIB II Sixth Subscription and the CIB II Seventh Subscription.

LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially and adversely affect the operations of the Company and no litigation, arbitration or claims which would materially and adversely affect the operations of the Company is known to the Directors to be pending or threatened by or against any members of the Group.

* for identification purpose only

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Unit 1101, 11th Floor, Tung Ning Building, 2 Hillier Street Central, Central, Hong Kong during normal business hours (9 am-1pm, 2pm-5pm), Monday to Friday (other than public holidays) from the date of this circular up to and including 12 June 2020 (the date of SGM):

1. the bye-laws and articles of association of the Company;
2. the annual reports of the Company for the two years ended 31 March 2018 and 2019 and the interim report of the Company for the six months ended 30 September 2019;
3. the service contracts referred to in the paragraph headed “Service contracts” in this appendix;
4. the material contracts referred to in the paragraph headed “Material contracts” in this appendix; and
5. this circular.

MISCELLANEOUS

1. The registered office of the Company is at Victoria Place, 5th Floor 31 Victoria Street, Hamilton HM 10, Bermuda.
2. The principal place of business of the Company in Hong Kong is located at Unit 1101, 11th Floor, Tung Ning Building, 2 Hillier Street, Central, Hong Kong.
3. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, whose address is Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
4. The company secretary of the Company is Ms. Li Fun Replen, who is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.
5. The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.

NOTICE OF SPECIAL GENERAL MEETING



CHINESE PEOPLE HOLDINGS COMPANY LIMITED

中民控股有限公司

(incorporated in Bermuda with limited liability) (stock code: 681)

NOTICE IS HEREBY GIVEN that the Special General Meeting (“SGM”) of Chinese People Holdings Company Limited (the “Company”) will be held at the head office of Chinese People Holdings Company Limited, Conference Room, 1st Floor, No. 36 BDA International Business Park, No. 2 Jingyuan North Street, Economic Technological Development Area, Beijing, China on Friday, 12 June 2020 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To approve, confirm and ratify the agreement dated 2 April 2019 entered into between 北京中民燃氣有限公司 (Beijing Civigas Co., Ltd.*, “**Beijing Civigas**”) and Beijing Economic and Technological Development Area Branch of China Construction Bank Corporation (“**CCB**”) for subscription of 中國建設銀行“乾元-滿溢”30天開放式資產組合型人民幣理財產品 (CCB “Qiannyuan-Manyi” 30-day Open-ended Assets Portfolio RMB Wealth Management Product*) with an amount of RMB170 million and the transaction contemplated thereunder;
2. To approve, confirm and ratify the agreement dated 28 June 2019 entered into between Beijing Civigas and Beijing Economic and Technological Development Area Branch of Industrial Bank Co., Ltd. (“**CIB**”) for subscription of 興業銀行“金雪球-優悅”非保本開放式人民幣理財產品(1個月)(CIB “Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (1 Month)*) with an amount of RMB100 million and the transaction contemplated thereunder;
3. To approve, confirm and ratify the agreement dated 17 May 2019 entered between Beijing Civigas and CIB for subscription of 興業銀行“金雪球-優悅”非保本開放式人民幣理財產品(3個月)(CIB “Golden Snowball Superior” Non-principal Guaranteed and Open-ended RMB Wealth Management Product (3 Months)*) (“**CIB Wealth Management Product II**”) with an amount of RMB70 million and the transaction contemplated thereunder;
4. To approve, confirm and ratify the agreement dated 2 August 2019 entered between Beijing Civigas and CIB for subscription of the CIB Wealth Management Products II with an amount of RMB100 million and the transaction contemplated thereunder;

* for identification purpose only

NOTICE OF SPECIAL GENERAL MEETING

5. To approve, confirm and ratify the agreement dated 22 August 2019 entered between Beijing Civigas and CIB for subscription of the CIB Wealth Management Products II with an amount of RMB70 million and the transaction contemplated thereunder;
6. To approve, confirm and ratify the agreement dated 11 November 2019 entered between Beijing Civigas and CIB for subscription of the CIB Wealth Management Products II with an amount of RMB100 million and the transaction contemplated thereunder;
7. To approve, confirm and ratify the agreement dated 26 November 2019 entered between Beijing Civigas and CIB for subscription of the CIB Wealth Management Products II with an amount of RMB60 million and the transaction contemplated thereunder;
8. To approve, confirm and ratify the agreement dated 14 February 2020 entered between Beijing Civigas and CIB for subscription of the CIB Wealth Management Products II with an amount of RMB100 million and the transaction contemplated thereunder; and
9. To approve, confirm and ratify the agreement dated 4 March 2020 entered between Beijing Civigas and CIB for subscription of the CIB Wealth Management Products II with an amount of RMB60 million and the transaction contemplated thereunder.

By Order of the Board
Chinese People Holdings Company Limited
Mr. Fan Fangyi
Managing Director and Executive Director

Beijing, 26 May 2020

Notes:

1. Any member entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and vote, on a poll, on his/her behalf. A proxy need not be a member of the Company.
2. Where there are joint holders of any share of the Company (“**Shares**”), any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders present at the SGM personally or by proxy, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
3. A form of proxy for use in connection with the SGM is enclosed and such form is also published on the website of the Stock Exchange (www.hkexnews.hk).

NOTICE OF SPECIAL GENERAL MEETING

4. The register of members of the Company will be closed from Monday, 8 June 2020 to Friday, 12 June 2020 (both dates inclusive), for the purpose of determining the shareholders of the Company (the “**Shareholders**”) eligibility to attend and vote at the SGM and during which period no transfer of the Shares will be effected. In order to qualify for attendance of the SGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company’s branch share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Friday, 5 June 2020.
5. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority must be lodged with the Company’s Hong Kong share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjourned meeting thereof if they so wish.
6. All the resolutions set out in this notice shall be decided by poll.



CHINESE PEOPLE HOLDINGS COMPANY LIMITED

中民控股有限公司

(incorporated in Bermuda with limited liability) (stock code: 681)

(於百慕達註冊成立之有限責任公司) (股份代號: 681)

股東特別大會(「大會」)SPECIAL GENERAL MEETING (“SGM”)
健康申報表 HEALTH DECLARATION FORM

經考慮近期新型冠状病毒(2019冠狀病毒病)的疫情，本公司於大會實施防疫措施及特別安排旨在針對出席人士受感染的風險。敬請閣下如實填寫以下表格，並交回於大會股東登記櫃檯的工作人員。

Considering the recent outbreak of the coronavirus (COVID-19), the Company will implement precautionary measures and special arrangements at the SGM with a view to addressing the risk to attendees of infection. **Please complete this form to the best of your knowledge and return it to the staff at the registration counters at the SGM venue.**

如閣下(i)出現甲部所列出的任何一項症狀或(ii)於乙部的任何問題的回答為「是」，閣下可能不會獲准進入大會會場。If (i) you have any of the symptoms as set out in Part A, or (ii) your answer to any of the questions under Part B is “YES”, you may not be admitted to the SGM venue.

甲部 Part A (請圈選適用的症狀 Please circle as appropriate)

閣下是否有以下任何症狀? Do you have any of the following symptoms?		
發燒 Fever	咽喉痛 Sore Throat	氣促 Shortness of Breath
咳嗽 Cough	呼吸困難 Breathing Difficulty	

乙部 Part B (請圈選適用的症狀 Please circle as appropriate)

在過去14日內, In the past 14 days,			
(i) 閣下曾否到訪中華人民共和國(「中國」)以外地方? Did you travel outside the People’s Republic of China (the “PRC”)?	是 Yes	否 No	
(ii) 閣下是否曾經或現正接受中國國家衛生委員會的強制檢疫或醫學監察? Have you ever been under compulsory quarantine or medical observation by the National Health Commission of the PRC Government?	是 Yes	否 No	
(iii) 閣下是否與2019冠狀病毒病的確診者及／或疑似確診者曾有或現有密切接觸的人士#? Have you ever been in close contact# with confirmed case(s) and/or probable case(s) of COVID-19 patient(s)?	是 Yes	否 No	
(iv) 閣下是否曾經或現在與正在接受家居檢疫的人士同住? Have you ever lived with any person under home quarantine?	是 Yes	否 No	

指從(a)疑似病例或確診病例症狀出現前2天開始；或(b)無症狀感染者標本採樣前2天開始，未採取有效防護與其有近距離接觸的人士。

Refers to any person who has not taken effective protection and has been in close contact with (a) probable case(s) or confirmed case(s) 2 days before the symptoms onset; or (b) asymptomatic infected person(s) 2 days before the sampling.

本人聲明以上申報內容全部屬實。 I declare that all the above information is true.

姓名：

Name: _____

簽名：

Signature: _____

日期：

Date: _____

收集個人資料聲明：閣下須提供在此表格中收集的所有資料，以用於本公司預防傳染病發生或傳播相關之工作。若閣下未能提供所有資料，本公司將無法評估閣下是否適合出席大會，而閣下將可能不會獲准進入大會會場。所有資料只會在閣下同意或在《個人資料(私隱)條例》允許的情況下，向其他人士或機構作出披露。所有收集的資料將在大會結束後21天內銷毀。有關存取及更正相關個人資料的要求可按照《個人資料(私隱)條例》提出，而有關要求均須以書面郵寄至本公司／卓佳登捷時有限公司。

Personal Information Collection Statement: Your supply of all information collected in this form is required for the purpose of the Company’s prevention of the occurrence or spread of Infectious Diseases. If you fail to provide the information, the Company will not be able to assess your suitability to attend the SGM and you may not be granted access to the SGM venue. The information will only be disclosed to other parties or authorities with your consent or where it is permitted under the Personal Data (Privacy) Ordinance. All information collected will be destroyed in 21 days after the SGM. Request for access to and/or correction of the relevant personal data can be made in accordance with the provisions of the Personal Data (Privacy) Ordinance and any such request should be in writing by mail to the Company/Tricor Tengis Limited.