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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 – PROVISION OF CORPORATE GUARANTEE FOR A JOINT VENTURE

On 29 September 2019, Fujian An Ran (a joint venture of the Group and as the Borrower), entered into the Bank Borrowing Agreement with PSB (as the Lender), pursuant to which PSB has agreed to lend and Fujian An Ran has agreed to borrow the Loan in the principal amount of RMB20,000,000. On the same date, Beijing Civigas (a wholly-owned subsidiary of the Company and as a Guarantor) entered into the 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 Loan Facility of 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.

As one or more of the applicable percentage ratio(s) as set out in the Listing Rules in respect of the maximum amount of the Guarantee under the Loan Facility exceed(s) 5% but all of them are less than 25%, the Guarantee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval under the Listing Rules.

The Company announces that on 29 September 2019, Fujian An Ran (a joint venture of the Group and as the Borrower), entered into the Bank Borrowing Agreement with PSB (as the Lender), pursuant to which PSB has agreed to lend and Fujian An Ran has agreed to borrow the Loan in the principal amount of RMB20,000,000. On the same date, Beijing Civigas (a wholly-owned subsidiary of the Company and as a Guarantor) entered into the 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 RMB 130 million by instalments up to the Loan Facility of 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.

Bank Borrowing Agreement

The salient terms of the Bank Borrowing Agreement are summarised below:

Date	:	29 September 2019
Lender	:	PSB
Borrower	:	Fujian An Ran
Principal amount	loan :	RMB20,000,000
Term	:	One (1) year from 29 September 2019 to 28 September 2020
Interest rate	:	4.1325% per annum (i.e. one-year Loan Prime Rate - 0.0675%) on the principal amount of the Loan
Security for the Loan	:	Joint and several corporate guarantee provided by Beijing Civigas and Zhongran Gas

Guarantee Agreement

The salient terms of the Guarantee Agreement are summarised below:

Date	:	29 September 2019
Lender and the beneficiary of the Guarantee	:	PSB
Guarantors	:	Beijing Civigas Beijing Civigas agreed to provide a guarantee for the Loan in favour of the Lender against 51% of all principal, interest, default interest, compound interest, compensation, liquidated damages, damages and the cost of realising the creditor' rights under the Loan Zhongran Gas Zhongran Gas agreed to provide a guarantee for the Loan in favour of the Lender against 49% of all principal, interest, default interest, compound interest, compensation, liquidated damages, damages and the cost of realising the creditor' rights under the Loan
Amount of Guarantee	:	RMB20,000,000
Term	:	A period of two (2) years commencing on the due date under the Loan Facility

PSB has also agreed to grant Fujian An Ran an one-year working capital loan facility of the Loan Facility amount up to RMB150 million by installments.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of PSB, Zhongran Gas and their respective ultimate beneficial owners are third party independent of the Company and its connected persons and their respective associates.

REASONS FOR AND BENEFITS OF THE GUARANTEE TO THE COMPANY

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 fast moving consumer goods (“FMCG”) and food ingredients supply in the PRC.

Fujian An Ran is an investment holding company. Its subsidiaries are principally engaged in the distribution and supply of gas and installation of gas pipework in Fujian Province, the PRC.

The Board is of the view that the Guarantee provided by Beijing Civigas in favour of PSB for the Loan Facility granted/to be granted to Fujian An Ran will be beneficial to its rapid development and strengthen its working capital requirement.

The Directors (including the independent non-executive Directors) consider that the Guarantee is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) as set out in the Listing Rules in respect of the maximum amount of the Guarantee under the Loan Facility exceed(s) 5% but all of them are less than 25%, the Guarantee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the Shareholders’ approval under the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings:

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| “associate(s)” | : | shall have the same meanings ascribed thereto under the Listing Rules |
| “Bank Borrowing Agreement” | : | Bank loan agreement entered into by Fujian An Ran and PSB on 29 September 2019 in respect of the principal loan amount of RMB20,000,000 |
| “Beijing Civigas” or “Guarantor” | : | Beijing Civigas Co., Ltd.* (北京中民燃氣有限公司), a company established and subsisting in Beijing, the PRC and a wholly-owned subsidiary of the Company |
| “Board” | : | the board of directors of the Company |
| “China Gas” | : | China Gas Holdings Ltd., a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange, subsidiaries of which hold a total of 49% shareholding in Fujian An Ran |
| “Company” | : | Chinese People Holdings Company Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange |
| “Director(s)” | : | the director(s) of the Company |

“Fujian An Ran” or “Borrower”	: Fujian Province An Ran Gas Investment Co., Ltd. * (福建省安然燃氣投資有限公司), a company established and subsisting in Fujian Province, the PRC which is beneficially owned as to 51% and 49% by Beijing Civigas and subsidiaries of China Gas, respectively
“Group”	: the Company and its subsidiaries
“Guarantee”	: Beijing Civigas agreed to provide the maximum guarantee amount of RMB76.5 million in favour of PSB for the Loan facility on pro rata basis for the 51% shareholding in Fujian An Ran
“Guarantee Agreement”	: Guarantee agreement entered into by Beijing Civigas, Zhongran Gas and PSB on 29 September 2019 in respect of the Loan
“Hong Kong”	: the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	: the People’s Republic of China, which, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PSB” or “Lender”	: Fuzhou branch of Postal Savings Bank of China Co., Limited (中國郵政儲蓄銀行股份有限公司福州市分行)
“Loan”	: one-year working capital loan of RMB20 million granted by PSB to Fujian An Ran under Bank Borrowing Agreement
“Loan Facility”	: one-year working capital loan facility for amount up to RMB150 million granted and to be granted by installments from PSB to Fujian An Ran
“Shareholder(s)”	: shareholder(s) of the Company
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Zhongran Gas”	: Zhongran Gas (Shenzhen) Company Limited* (中燃燃氣實業(深圳)有限公司), a company established and subsisting in Shenzhen, the PRC and a wholly-owned subsidiary of China Gas, which, together with another subsidiary of China Gas, holds in an aggregate of 49% shareholding in Fujian An Ran
“RMB”	: Renminbi, the legal currency of the PRC
“%”	: per cent

* For identification purposes only

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

Date: 30 September 2019, Beijing

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