

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINESE PEOPLE HOLDINGS COMPANY LIMITED

中民控股有限公司

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

**(1) UNAUDITED PRELIMINARY FINANCIAL DATA
FOR THE NINE MONTHS ENDED 31 DECEMBER 2020; AND
(2) POSTPONEMENT OF BOARD MEETING**

This announcement is made by Chinese People Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.49(3)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors of the Company (the “**Director(s)**”) hereby announces the unaudited preliminary financial data of the Group for the nine months ended 31 December 2020 (the “**Unaudited Preliminary Financial Data of 2020**”), together with the comparative figures for the twelve months ended 31 March 2020 (the “**Previous Period**”), due to the reasons set out in the paragraph headed “Review of Unaudited Preliminary Financial Data of 2020” of this announcement, the auditing process of the annual results of the Group for the nine months ended 31 December 2020 (the “**Reporting Period**”) has yet to be completed and not agreed by auditors of the Company. The Unaudited Preliminary Financial Data of 2020 contained in this announcement has been reviewed and agreed by the audit committee of the Company.

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Nine months period ended 31 December 2020 <i>RMB'000</i> (Unaudited)	Year ended 31 March 2020 <i>RMB'000</i> (Audited)
Revenue	1,747,553	2,232,600
Cost of sales and services	<u>(1,460,923)</u>	<u>(1,849,905)</u>
Gross profit	286,630	382,695
Impairment losses under the expected credit loss model, net of reversal	2,031	(2,538)
Other gains and losses	(5,211)	(18,446)
Other income	46,703	26,921
Finance costs	(7,493)	(11,440)
Selling and distribution expenses	(110,674)	(147,316)
Administrative expenses	(86,558)	(122,414)
Share of results of associates	16,401	26,336
Share of results of joint ventures	<u>33,993</u>	<u>108,367</u>
Profit before tax for the period/year	175,822	242,165
Income tax expense	<u>(24,057)</u>	<u>(25,644)</u>
Profit for the period/year	<u>151,765</u>	<u>216,521</u>
Other comprehensive income(expense) for the period/year		
Items that will not be reclassified subsequently to profit or loss:		
Fair value change on equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax	29,561	(7,486)
Fair value change upon reclassification of property, plant and equipment to investment properties	<u>–</u>	<u>25</u>
Other comprehensive income(expense) for the period/year	<u>29,561</u>	<u>(7,461)</u>
Total comprehensive income for the period/year	<u><u>181,326</u></u>	<u><u>209,060</u></u>

	Nine months period ended 31 December 2020 RMB'000 (Unaudited)	Year ended 31 March 2020 RMB'000 (Audited)
Profit for the period/year attributable to:		
Owners of the Company	114,970	182,629
Non-controlling interests	36,795	33,892
	<u>151,765</u>	<u>216,521</u>
 Total comprehensive income attributable to:		
Owners of the Company	145,612	175,877
Non-controlling interests	35,714	33,183
	<u>181,326</u>	<u>209,060</u>
 Earnings per share – basic	<u>RMB1.29 cents</u>	<u>RMB2.04 cents</u>

Unaudited Consolidated Statement of Financial Position

	At 31 December 2020 <i>RMB'000</i> (Unaudited)	At 31 March 2020 <i>RMB'000</i> (Audited)
Non-current assets		
Property, plant and equipment	869,075	820,866
Right-of-use assets	103,172	91,884
Investment properties	11,100	16,780
Goodwill	16,285	7,064
Intangible assets	22,040	23,138
Interests in associates	121,810	126,726
Interests in joint venture(s)	1,289,250	1,269,685
Deferred tax assets	4,605	4,274
Equity instruments at FVTOCI	167,780	33,745
Long-term deposits	21,791	26,952
	<u>2,626,908</u>	<u>2,421,114</u>
Current assets		
Inventories	51,126	44,390
Trade, bills and other receivables and prepayments	235,360	175,555
Contract assets	15,403	21,007
Amount due from a joint venture	1	15,310
Financial assets at fair value through profit or loss	–	201,942
Bank balances and cash	614,866	276,796
	<u>916,756</u>	<u>735,000</u>
Current liabilities		
Trade and other payables	267,996	201,426
Contract liabilities	237,850	165,293
Tax liabilities	45,750	41,266
Lease liabilities	5,596	6,347
Amount due to an associate	1,957	1,589
Bank borrowings – due within one year	77,500	66,700
	<u>636,649</u>	<u>482,621</u>
Net current assets	<u>280,107</u>	<u>252,379</u>
Total assets less current liabilities	<u><u>2,907,015</u></u>	<u><u>2,673,493</u></u>

	At 31 December 2020 <i>RMB'000</i> (Unaudited)	At 31 March 2020 <i>RMB'000</i> (Audited)
Capital and reserves		
Share capital	564,507	564,507
Reserves	<u>2,032,756</u>	<u>1,803,783</u>
Equity attributable to owners of the Company	2,597,263	2,368,290
Non-controlling interests	<u>236,087</u>	<u>207,781</u>
Total equity	<u>2,833,350</u>	<u>2,576,071</u>
Non-current liabilities		
Bank borrowings – due after one year	21,916	65,000
Lease liabilities	19,135	21,556
Deferred tax liabilities	<u>32,614</u>	<u>10,866</u>
	<u>73,665</u>	<u>97,422</u>
	<u>2,907,015</u>	<u>2,673,493</u>

Piped gas business

The piped gas business mainly relies on the gas pipeline which were built by the Group to transport flammable gas fuels to end-users. The Group's piped gas business is categorised into piped gas connection and piped gas sales. Currently, natural gas is the main gas supply of the Group's piped gas business. As a clean energy, natural gas can help to improve the environmental pollution problem and simultaneously it has the advantages of safety, high unit heat value and low price. It has become an important development direction of international clean energy.

Piped gas business is our main business and our main source of income. During the Reporting Period, revenue of approximately RMB545 million (Previous Period: 731 million) was recorded from our piped gas business. The income accounted for approximately 31.19% (Previous Period: 32.72%) of our total revenue. The overall gross profit margin of piped gas business for the Reporting Period was approximately 23.27% (Previous Period: 25.45%).

Piped gas connection

During the Reporting Period, revenue from piped gas connection was approximately RMB102 million (Previous Period: RMB147 million). Revenue from piped gas connection represented approximately 18.72% (Previous Period: 20.06%) of the total revenue of the piped gas business. The gross profit margin of piped gas connection fee for the Reporting Period was approximately 59.36% (Previous: 56.01%). During the Reporting Period, our subsidiary companies had an addition of 34,489 units of residential household customers and 733 units of commercial and industrial customers, respectively. At the end of the Reporting Period, our subsidiary companies had an accumulated number of connected residential household customers and commercial and industrial customers of 470,049 units and 9,965 units respectively, representing a growth of 7.92% and 7.94% over the Previous Period, respectively. The overall connection rate of the Group's piped gas projects continues to rise, it is expected that the number of newly connected residential household customers will increase steadily, bringing the Group a steady increase in piped gas connection income.

Piped gas sales

During the Reporting Period, revenue from piped gas sales was approximately RMB443 million (Previous Period: 584 million). Revenue from piped gas sales accounted for approximately 81.28% (Previous Period: 79.94%) of the total revenue from the piped gas business. The gross profit margin of piped gas sales was approximately 14.95% (Previous Period: 17.79%). During the Reporting Period, our sales volume of piped gas from subsidiary companies was 220.43 million m³, among the total sales, 74.75 million m³ (Previous Period: 112.25 million m³) were sold to residential household customers; 145.68 million m³ (Previous Period: 172.06 million m³) were sold to commercial and industrial customers.

Cylinder gas business

Cylinder gas business is another major business of the Group. Currently, the Group's cylinder gas business is mainly the sales of liquefied natural gas (LNG), liquefied petroleum gas (LPG), and liquefied dimethyl ether (DME). During the Reporting Period, while maintaining established customers, we actively developed new users and expanded the sales market.

For the Reporting Period, our subsidiary companies sold 139,737 tons of cylinder gas (Previous Period: 167,374 tons) and the revenue was approximately RMB576 million (Previous Period: RMB806 million). During the Reporting Period, revenue from cylinder gas business accounted for approximately 32.95% (Previous Period: 36.08%) of our total revenue. The gross profit margin of cylinder gas business was approximately 24.60% (Previous Period: 22.16%).

Gas trading business

During the Reporting Period, our subsidiary companies in the gas trading business sold a total of 193,068 tons of gas (Previous Period: 170,438 tons), and realized a total sales income of approximately RMB540 million (Previous Period: RMB552 million). During the Reporting Period, gas trading business revenue accounted for approximately 30.91% of our total revenue (Previous Period: 24.74%). The gross profit margin of gas trading business was approximately 0.77% (Previous Period: 1.09%).

Fast Moving Consumer Goods (“FMCG”) and food ingredients supply business

The FMCG and food ingredients supply business is the new business vigorously developed by the Group in recent years. The food ingredients supply is mainly a one-stop service providing to commercial consumers through the combination of online and offline operations, supplying fruits and vegetables, fresh produce, seasoning, dry foods and oil and other ingredients. The supply of FMCG is mainly comprised of the chain of community supermarket and convenience stores. The consumer group targeted by the community supermarket is mainly the residents community population. The community supermarket provides convenient goods and services for the fixed community residents through the combination of online and offline operations; the convenience stores chain is aimed at the consumer group which is a mobile population, and provides goods and services that are convenient for the mobile population by selling FMCG.

For the Reporting Period, the Group’s FMCG and food ingredients supply business realised revenue of approximately RMB86.49 million (Previous Period: RMB144 million), accounting for approximately 4.95% (Previous Period: 6.46%) of our total revenue.

REVIEW OF UNAUDITED PRELIMINARY FINANCIAL DATA OF 2020

Since the outbreak of the novel coronavirus pneumonia (the “**COVID-19**”) at the beginning of 2020 and impact continually, various provinces in China have stopped or maintained a limited level of transportation and quarantine arrangements for inbound traveller (the “**Restrictions**”). As the subsidiaries of the Company are located in the PRC, the auditors of the Company are subject to the above Restrictions, and it is difficult for them to complete certain on site inspection and audit procedures as originally scheduled. As such, as of the date of this announcement, the auditing process of the annual results of the Group for the nine months ended 31 December 2020 has yet to be completed. The Company has decided to delay the publication of audited annual results announcement for the nine months ended 31 December 2020.

For the reason as set out above caused by the COVID-19 epidemic, the auditors of the Company need more time to (i) assess valuations of fair value change on equity instruments at fair value through other comprehensive income and (ii) obtain bank confirmations and related parties confirmations conducted by the auditors. Therefore, those items are subject to certain adjustments if any.

The Unaudited Preliminary Financial Data of 2020 contained in this announcement has been reviewed and agreed by the audit committee of the Company.

POSTPONEMENT OF BOARD MEETING

After the completion of auditing process, the Company is expected to publish the annual results announcement of the Company for the nine months ended 31 December 2020 on or before 23 April 2021 in relation to the audited results for the nine months ended 31 December 2020 and the accounting adjustment or material differences (if any) as compare to the Unaudited Preliminary Financial Data of 2020 set out in this announcement. Besides, the Company will publish the 2020 annual report of the Company on or before 30 April 2021.

The Unaudited Preliminary Financial Data of 2020 contained in this announcement is unaudited and has not been agreed by the Company's auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, 31 March 2021

As at the date of this announcement, the Board comprises four Executive Directors namely, Dr. Mo Shikang (Chairman), Mr. Zhang Hesheng (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. Cheung Chi Ming.