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Profit Strong Investments Limited

利堅投資有限公司

(Incorporated in the British Virgin Islands with limited liability)

Max Glory Ltd.

(Incorporated in the Cayman Islands with limited liability)



DONGPENG HOLDINGS COMPANY LIMITED

東鵬控股股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3386)

JOINT ANNOUNCEMENT

**PROPOSAL FOR THE PRIVATISATION OF
DONGPENG HOLDINGS COMPANY LIMITED
BY THE JOINT OFFERORS
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)
AND
PROPOSED WITHDRAWAL OF LISTING**

**IRREVOCABLE UNDERTAKINGS
RECEIVED BY THE JOINT OFFERORS
AND RULE 13 OFFER**

Reference is made to the announcement (the “**Joint Announcement**”) dated 18 February 2016 jointly issued by Dongpeng Holdings Company Limited (the “**Company**”), Profit Strong Investments Limited (利堅投資有限公司) (“**Profit Strong**”) and Max Glory Ltd. (“**Max Glory**”) in relation to the proposal for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Law of the Cayman Islands. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Joint Announcement.

IRREVOCABLE UNDERTAKINGS

On 30 March 2016, YANG Lixin, LIANG Huicai, CHEN Junfeng, LIN Chifeng and FENG Chu, (i.e. all the Optionholders other than Mr. HE Xinming, Mr. CHEN Kunlie and the Senior Management Shareholders), who are currently employees of the Group, have each given an undertaking letter to the Joint Offerors, pursuant to which they have irrevocably undertaken, among other things:

- (a) to waive their rights to receive any offer for the outstanding Share Options held by them under the Takeovers Code from the Joint Offerors arising from the Proposal and the Scheme;
- (b) not to accept any offer for a Share Option which has lapsed or will have lapsed before the Record Date;
- (c) not to exercise the Share Options prior to the completion of the Scheme, except, in the case of LIANG Huicai, for the 375,000 Share Options held by LIANG Huicai, a vice president of the Group, who has undertaken to exercise such 375,000 Share Options immediately after such Share Options become vested on 1 April 2016 and before the Record Date, and all Shares issued as a result of the exercise of such Share Options shall become part of the Scheme Shares and he would vote in favor of the Scheme in respect of such Shares;
- (d) that none of them will, prior to the completion of the Scheme: (i) offer, sell, give, transfer, pledge, encumber, charge, or grant any right over or otherwise dispose of or deal with any of the Share Options or any interest therein; (ii) enter into any swap or other arrangement that transfers to another party in whole or in part any of the legal, beneficial or economic consequences of ownership of any of the Share Options or any interest therein; (iii) subject any of the Share Options to any encumbrance as set out in (i); or (iv) enter into any agreement with a view to effecting any of the foregoing, in each case, whether directly or indirectly and whether beneficially, legally or otherwise;
- (e) not to, whether directly or indirectly, take any action which will preclude, prejudice, restrict or delay the successful outcome of the Proposal or the Scheme; and
- (f) to waive and not to bring any claim nor action against the Company in respect of the Share Options held by them.

The above undertaking letters will terminate and cease to have any effect upon the Scheme having been withdrawn, lapsed or closed.

As at the date of this announcement, YANG Lixin, LIANG Huicai, CHEN Junfeng, LIN Chifeng and FENG Chu had the following interests in the Share Options:

Optionholder	Number of Share Options expected to vest on 1 April 2016	Number of Share Options expected to lapse on 1 April 2016	Number of Share Options subject to vesting conditions on 1 April 2017	Total
YANG Lixin	—	750,000	750,000	1,500,000
LIANG Huicai	375,000	375,000	750,000	1,500,000
CHEN Junfeng	—	375,000	375,000	750,000
LIN Chifeng	—	375,000	375,000	750,000
FENG Chu	—	375,000	375,000	750,000

The above Share Options each relates to one Share and the exercise price of each of the above Share Options is HK\$0.01 per Share. The exercise period of these Share Options is 10 years after the grant of such Share Options and subject to vesting conditions.

The above irrevocable undertakings were given in respect of an aggregate of 5,250,000 Shares underlying the above Share Options, representing approximately 0.42% of the total issued Shares as at the date of this announcement.

RULE 13 OFFER

In accordance with Rule 13 of the Takeovers Code, the Joint Offerors are required to make an appropriate offer to the Optionholders to cancel all outstanding Share Options, vested and unvested, in exchange for cash, being an amount equal to HK\$4.47 for each outstanding Share Option with an exercise price of HK\$0.01.

However, as stated in the Joint Announcement, the Joint Offerors and each of the Participating Shareholders have entered into the Rollover Agreement. Under the Rollover Agreement, Mr. CHEN Kunlie and the Senior Management Shareholders have each undertaken to exercise their Share Options immediately after the Share Options vest on 1 April 2016 and before the Record Date and will not accept the option offer for all the unvested Share Options held by them. In addition, as mentioned above, all the other Optionholders, being YANG Lixin, LIANG Huicai, CHEN Junfeng, LIN Chifeng and FENG Chu, have each undertaken to irrevocably waive their rights to receive any offer for the Share Options held by them under the Takeovers Code and LIANG Huicai has also undertaken to exercise such 375,000 Share Options immediately after such Share Options become vested on 1 April 2016 and before the Record Date. Accordingly, the Joint Offerors will not need to make any offer to the Optionholders in accordance with Rule 13 of the Takeovers Code.

WARNINGS:

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By Order of the Board of
Profit Strong Investments Limited
HE Xinming
Director

By Order of the Board of
Max Glory Ltd.
Kok Wai Yee
Director

By Order of the Board of
Dongpeng Holdings Company Limited
HE Xinming
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the sole director of Profit Strong is Mr. HE Xinming.

The sole director of Profit Strong accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Sequoia Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Sequoia Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the sole director of Max Glory is Ms. Kok Wai Yee.

The sole director of Max Glory accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Profit Strong Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Profit Strong Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the general partner of Sequoia RMB SP Fund is 北京紅杉坤德投資管理中心(有限合夥). The general partner of 北京紅杉坤德投資管理中心(有限合夥) is 上海桓遠投資管理有限公司. The sole director of 上海桓遠投資管理有限公司 is Mr. ZHOU Kui.

The sole director of 上海恒遠投資管理有限公司 accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Profit Strong Group) and confirms, having made all reasonable enquiries, that to the best of its knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Profit Strong Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the directors of the Company are:

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
<i>Mr. HE Xinming (Chairman)</i>	<i>Mr. SU Sen</i>	<i>Mr. YIN Hong</i>
<i>Mr. CHEN Kunlie</i>	<i>Mr. SUN Qian</i>	<i>Ms. HSIEH H., Lily</i>
<i>Mr. BAO Jianyong</i>	<i>Ms. SUN Limei</i>	<i>Mr. WU Haibing</i>

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Profit Strong Group and the Sequoia Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Profit Strong Group and the Sequoia Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.