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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)
DESPATCH OF SCHEME DOCUMENT**

DESPATCH OF SCHEME DOCUMENT

The Scheme Document together with the respective notices of the Court Meeting and EGM to be held on Friday, 10 June 2016 and the relevant proxy forms have been despatched to Shareholders on Thursday, 19 May 2016.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE

The Scheme Document contains, among other things, a letter from Somerley Capital Limited, the Independent Financial Adviser, giving its advice to the Independent Board Committee in connection with the Proposal, the Scheme and the Rollover Arrangement, and a letter from the Independent Board Committee containing its recommendations to the Scheme Shareholders in respect of the Proposal, the Scheme and the Rollover Arrangement, respectively. Scheme Shareholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser, in relation to the Proposal, the Scheme and the Rollover Arrangement set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, respectively.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 7 June 2016 to Friday, 10 June 2016 (both days inclusive) and during such period, no transfer of Shares will be effected.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and/or potential investors should be aware that the implementation of the Scheme and the Proposal is subject to the Conditions as detailed in the Scheme Document 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. Assuming that the Conditions are fulfilled (or, as applicable, waived in whole or in part), it is expected that the Scheme will become effective on or before Monday, 20 June 2016 (Cayman Islands time). Details of the Conditions are set out in the Scheme Document. All the Conditions will have to be fulfilled or waived, as applicable, on or before 31 July 2016 (or such later date as the Joint Offerors and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme and the Proposal will lapse. Further announcements on any changes regarding the timetable of the Scheme and the Proposal will be made as and when necessary.

Shareholders and potential investors should exercise caution when dealing in the Shares and any options or other rights in respect of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

References are made to (i) the joint announcement dated 18 February 2016 jointly issued by Dongpeng Holdings Company Limited (the “**Company**”), Profit Strong Investments Limited (“**Profit Strong**”) and Max Glory Ltd. (“**Max Glory**”) in relation to the pre-conditional 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; (ii) the joint announcement dated 9 March 2016 jointly issued by the Company, Profit Strong and Max Glory in relation to the extension of time for despatch of the composite document of the Company, Profit Strong and Max Glory (the “**Scheme Document**”); (iii) the joint announcement dated 29 March 2016 jointly issued by the Company, Profit Strong and Max Glory in relation to the satisfaction of the Pre-Condition to the making of the Proposal and the implementation of the Scheme; and (iv) the joint announcement dated 1 April 2016 jointly issued by the Company, Profit Strong and Max Glory in relation to the extension of time for despatch of Scheme Document.

Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Scheme Document.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document together with the respective notices of the Court Meeting and EGM of the Company to be held on Friday, 10 June 2016 and the relevant proxy forms have been despatched to Shareholders on Thursday, 19 May 2016.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme and the Rollover Arrangement, the expected timetable, the explanatory statement of the Scheme as required under the Companies Law, general information regarding the Company and the Joint Offerors, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, a notice of the Court Meeting and a notice of the EGM.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises all the independent non-executive directors of the Company, namely Mr. YIN Hong, Ms. HSIEH H., Lily and Mr. WU Haibing, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal, the Scheme and the Rollover Arrangement fair and reasonable and as to voting. The Scheme Document contains, among other things, a letter from the Independent Board Committee containing its recommendations to the Scheme Shareholders in respect of the Proposal, the Scheme and the Rollover Arrangement.

Somerley Capital Limited has been appointed as the Independent Financial Adviser (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Rollover Arrangement. The Scheme Document contains, among other things, a letter from Somerley Capital Limited, the Independent Financial Adviser, giving its advice to the Independent Board Committee in connection with the Proposal, the Scheme and the Rollover Arrangement.

Scheme Shareholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the Proposal, the Scheme and the Rollover Arrangement set out in the letter from the Independent Board Committee and the letter from the Independent Financial Adviser, respectively.

COURT MEETING AND EGM

The Court Meeting and the EGM are scheduled to be held at 3: 00 p.m. and 3: 30 p.m. (or immediately after the conclusion or adjournment of the Court Meeting convened on the same day and place), respectively, on Friday, 10 June 2016 at Imperial Room III, Mezzanine Floor — Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Hong Kong. In accordance with the directions of the Grand Court, the Court Meeting will be held for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). The EGM will be held for the purpose of considering and if thought fit passing (i) the special resolution by the Shareholders to approve the reduction of the issued share capital of the Company by cancelling the Scheme Shares; (ii) the ordinary resolution by the Shareholders to immediately restore the issued share capital of the Company to its former amount by the issue of the same number of the Shares as the number of Scheme Shares cancelled, credited as fully paid, for issuance to the Joint Offerors; and (iii) the ordinary resolution by the Independent Shareholders to approve the Rollover Arrangement.

Notices of the Court Meeting and the EGM are also contained in the Scheme Document.

An announcement will be made by the Company and the Joint Offerors in relation to the results of the Court Meeting and the EGM in accordance with Rule 19.1 of the Takeovers Code to the extent applicable and the relevant Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of Scheme Shareholders to attend and vote at the Court Meeting and Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 7 June 2016 to Friday, 10 June 2016 (both days inclusive) and during such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting and the EGM, all transfers accompanied by the relevant share certificates must be lodged with Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. (Hong Kong time) on Monday, 6 June 2016.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

Shareholders and/or potential investors should be aware that the implementation of the Scheme and the Proposal is subject to the Conditions as detailed in the Scheme Document 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. Assuming that the Conditions are fulfilled (or, as applicable, waived in whole or in part), it is expected that the Scheme will become effective on or before Monday, 20 June 2016 (Cayman Islands time). Details of the Conditions are set out in the Scheme Document.

All the Conditions will have to be fulfilled or waived, as applicable, on or before 31 July 2016 (or such later date as the Joint Offerors and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme and the Proposal will lapse. Further announcements on any changes regarding the timetable of the Scheme and the Proposal will be made as and when necessary.

EXPECTED TIMETABLE

The expected timetable for the Proposal is as follows:

Hong Kong Time

Date of despatch of the Scheme Document Thursday, 19 May 2016

Latest time for lodging transfers of Shares in
order to qualify for attending and voting at
the Court Meeting and the EGM 4:30 p.m. on
Monday, 6 June 2016

Register of members of the Company closed
for determination of entitlements of Scheme
Shareholders to attend and vote at the Court
Meeting and of Shareholders to attend and
vote at the EGM (*Note 1*) from Tuesday, 7 June 2016
to Friday, 10 June 2016
(both days inclusive)

Latest time for lodging forms of proxy in
respect of Court Meeting (*Note 2*) 3:00 p.m. on
Wednesday, 8 June 2016
(or be handed directly to the
Chairman at the Court Meeting)

Latest time for lodging forms of proxy in
respect of EGM (*Note 2*) 3:30 p.m. on
Wednesday, 8 June 2016

Meeting Record Date Friday, 10 June 2016

Court Meeting (*Note 3*) 3:00 p.m. on Friday, 10 June 2016

EGM (*Note 3*) 3:30 p.m. on Friday, 10 June 2016
(or immediately after the conclusion
or adjournment of the Court Meeting)

Announcement of the results of the Court
Meeting and the EGM not later than 7:00 p.m.
on Friday, 10 June 2016

Expected last day for dealing in the Shares on
the Stock Exchange 4:00 p.m. on
Tuesday, 14 June 2016

Latest time for lodging transfers of Shares in
order to qualify for entitlements under the
Scheme 4:30 p.m. on
Thursday, 16 June 2016

Register of members of the Company closed
for determining entitlements to qualify under
the Scheme (*Note 4*) from Friday, 17 June 2016
onwards

Grand Court hearing of the petition to sanction
the Scheme and to confirm the capital
reduction..... Friday, 17 June 2016
(Cayman Islands Time)

Announcement of the result of the court
hearing to sanction the Scheme and to
confirm the capital reduction Monday, 20 June 2016

Scheme Record Date Monday, 20 June 2016

Effective Date (*Note 5*) Monday, 20 June 2016
(Cayman Islands Time)

Announcement of the Effective Date and the
withdrawal of the listing of the Shares on the
Stock Exchange Tuesday, 21 June 2016

Expected withdrawal of the listing of Shares on
the Stock Exchange becomes effective (*Note*
6) 4:00 p.m. on
Wednesday, 22 June 2016

Latest time to dispatch cheques for cash
payment under the Scheme on or before
Wednesday, 29 June 2016

**Shareholders should note that the above timetable is subject to change. Further
announcement(s) will be made in the event that there is any change.**

Notes:

- (1) The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. This book close period is not for determining entitlements under the Scheme.

- (2) Forms of proxy should be lodged with the office of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, as soon as possible and in any event no later than the times and dates stated above. In order to be valid, the **pink** form of proxy for the Court Meeting and the **white** form of proxy for the EGM must be lodged no later than the latest times and dates stated above. If the **pink** form of proxy is not so lodged, it may also be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. Completion and return of a form of proxy for the Court Meeting or the EGM will not preclude a Scheme Shareholder and Shareholder, respectively, from attending the relevant meeting and voting in person. In such event, the returned form of proxy will be deemed to have been revoked.
- (3) The Court Meeting and the EGM will be held at Imperial Room III, Mezzanine Floor — Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, China Hong Kong City, Tsim Sha Tsui, Hong Kong at the times and dates specified above. Please see the notice of Court Meeting set out in Appendix V to the Scheme Document and the notice of EGM set out in Appendix VI to the Scheme Document for details.
- (4) The register of members of the Company will be closed during such period for the purpose of determining Scheme Shareholders who are qualified for entitlements under the Scheme.
- (5) The Scheme shall become effective upon all the Conditions set out in the paragraph headed "4. Conditions of the Proposal and the Scheme" in the Explanatory Memorandum having been fulfilled or (to the extent permitted) waived (as the case may be).
- (6) If the Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn after 4:00 p.m. on Wednesday, 22 June 2016.

WARNINGS:

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to 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, 19 May 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 上海恒遠投資管理有限公司. The sole director of 上海恒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.