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AUPU

Upwind Holding Company Limited
(迎風 控 股 有 限 公 司)

*(Incorporated in the Cayman Islands as an exempted company
with limited liability)*

AUPU GROUP HOLDING COMPANY LIMITED
奧 普 集 團 控 股 有 限 公 司

*(Incorporated in the Cayman Islands as an exempted company
with limited liability)*

(Stock Code: 00477)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
AUPU GROUP HOLDING COMPANY LIMITED
(奧普集团控股有限公司)**

**BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)**

(2) PROPOSED WITHDRAWAL OF LISTING

AND

(3) RESUMPTION OF TRADING IN SHARES

Financial Adviser to the Offeror



BNP PARIBAS

INTRODUCTION

The respective directors of the Offeror and the Company jointly announce that on 18 May 2016, the Offeror requested the Board to put forward a proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law.

TERMS OF THE PROPOSAL AND THE OPTION OFFER

Under the Proposal, the Scheme Shares will be cancelled in exchange for HK\$2.71 in cash for each Scheme Share. Under the Proposal, the total consideration payable for cancellation of the Scheme Shares will be payable by the Offeror.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

The Cancellation Price represents:

- a premium of approximately 24.9% over the closing price of HK\$2.17 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 29.7% over the average closing price of approximately HK\$2.09 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 29.7% over the average closing price of approximately HK\$2.09 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 28.4% over the average closing price of approximately HK\$2.11 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 292.8% over the audited consolidated net asset value per Share of approximately HK\$0.69 as at 31 December 2015.

After (a) the Scheme has become effective, (b) the withdrawal of the listing of the Shares on the Stock Exchange has taken place, (c) the transfer of the Shares held by Mr. Fang Shengkang, Mr. Fang James, Sino Broad, SeeSi Universal, Renown Harbour and Copious All to the Offeror, the Offeror will hold the entire issued share capital of the Company.

The implementation of the Proposal and the Scheme will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions as described in the section headed “Conditions of the Proposal and the Scheme” below. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Proposal and the Scheme will lapse.

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options, vested and unvested, in exchange for cash, being an amount equal to HK\$0.64 for each outstanding Share Option with an exercise price of HK\$2.07. Such Option Offer will be conditional only upon the Scheme becoming effective. Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched as far as practicable contemporaneously with the despatch of the Scheme Document.

All the Optionholders have each given an irrevocable undertaking to the Offeror and the Company that they will not exercise any of his/her outstanding Share Options during the Offer Period and that they will accept the Option Offer. The implementation of the Option Offer will be conditional only upon the Scheme becoming effective.

SHAREHOLDING STRUCTURE AND THE SCHEME SHARES

As at the Announcement Date, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, and the Company has 1,047,228,500 Shares in issue. As at the Announcement Date, the Scheme Shares, comprising 465,672,500 Shares, represent approximately 44.47% of the issued share capital of the Company.

OUTSTANDING SHARE OPTIONS

As at the Announcement Date, there are 4,275,000 outstanding Share Options granted under the Share Option Scheme, each relating to one Share. Subject to the terms of the Share Option Scheme, all the outstanding Share Options are currently exercisable until 7 June 2017, but will lapse 21 days after the Company's application to the Grand Court in respect of the Scheme, subject to the Scheme becoming effective. The Company will inform the Optionholders promptly upon such application. The exercise of the 4,275,000 Share Options in full would result in the issue of 4,275,000 new Shares, representing approximately 0.41% of the issued share capital of the Company as at the Announcement Date and approximately 0.41% of the issued share capital of the Company as enlarged by the issue of such new Shares. The Offeror will make (or procure to be made on its behalf) the Option Offer to the Optionholders to cancel every vested and unvested Share Option in accordance with Rule 13 of the Takeovers Code. Such Option Offer will be conditional only upon the Scheme becoming effective. All the Optionholders have each given an irrevocable undertaking to the Offeror and the Company that he/she will not exercise any of his/her outstanding Share Options during the Offer Period and that he/she will accept the Option Offer.

FINANCIAL RESOURCES

On the assumption that no outstanding Share Options are exercised or lapsed before the Record Date, the amount of cash required for the Proposal (before taking into account the Option Offer to be made) is approximately HK\$1,262.0 million, and the amount of cash required for the Option Offer is approximately HK\$2.7 million. On the assumption that all outstanding Share Options are exercised before the Record Date, the amount of cash required for the Proposal is approximately HK\$1,273.6 million. As all the Optionholders have each given an irrevocable undertaking to the Offeror and the Company that he/she will not exercise any of his/her outstanding Share Options during the Offer Period and that he/she will accept the Option Offer, the amount of cash required to implement the Proposal in full (including the Option Amount) would be approximately HK\$1,264.7 million, of which HK\$1,262.0 million would be for the Proposal and approximately HK\$2.7 million would be for the Option Offer.

The Offeror intends to finance the cash required for the Proposal and the Option Offer from a combination of its internal financial resources and the Facility. BNP Paribas Securities, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to discharge its obligations in respect of the full implementation of the Proposal and the Option Offer.

Under the Scheme, the share capital of the Company will, on the effective date of the Scheme, be reduced by cancelling and extinguishing the Scheme Shares, and forthwith upon such reduction, the share capital of the Company will be increased to its former amount by the issuance to the Offeror at par of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Wu Tak Lung, Mr. Shen Jianlin and Mr. Gan Weimin, and the disinterested non-executive Director, Mr. Lin Xiaofeng, has been established by the Board to make a recommendation to (a) the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting, and (b) to the Optionholders as to its views on acceptance of the Option Offer.

Mr. Fang James, Mr. Fang Shengkang and Mr. Lu Songkang, all being the Offeror Concert Parties, are regarded to have a material interest in the Proposal. They have not participated in any vote of the Board in relation to the Proposal and the Scheme. The Directors (excluding members of the Independent Board Committee) believe that the terms of the Proposal and the Option Offer are fair and reasonable and in the interests of the Shareholders as a whole.

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal and the Option Offer. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, *inter alia*, further details of the Proposal and, the Scheme, the Option Offer, the expected timetable, an explanatory memorandum as required under the Companies Law and the Rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer and the letter of advice from the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of EGM, together with forms of proxy in relation thereto and the form of acceptance for cancellation of the Share Options, will be despatched to the Shareholders and the Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Law, the orders of the Grand Court and other applicable laws and regulations.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, it is anticipated that listing of the Shares on the Stock Exchange will be withdrawn. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange immediately following the Effective Date.

IF THE SCHEME IS NOT EFFECTIVE OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not effective or the Proposal otherwise lapses.

If the Scheme is not effective or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on the making of subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not effective or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Since the suspension of trading in the Shares from 9:00 am on 19 May 2016 pending the issue of this announcement, time was taken in relation to the confirmation of the sufficiency of financial resources.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 19 May 2016 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 30 May 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 and/or other professional advisers.

This announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote in favour of the Proposal. Any acceptance or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

INTRODUCTION

On 18 May 2016, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Law. The Offeror will also make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options, vested and unvested, in exchange for cash.

If the Proposal is approved and implemented and the Option Offer is accepted,

- (1) all the Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled in exchange for the payment to each Scheme Shareholders of the Cancellation Price in cash for each Scheme Share by the Offeror;
- (2) the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the share capital of the Company will be increased to its former amount by the issuance at par to the Offeror, credited as fully paid, of the same number of Shares as the number of Scheme Shares cancelled. The reserve created in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror;
- (3) the expected withdrawal of the listing of the Shares on the Stock Exchange is expected to take place forthwith following the Effective Date;
- (4) each of Mr. Fang James, Mr. Fang Shengkang, SeeSi Universal, Sino Broad, Renown Harbour and Copious All will transfer all of their respective Shares in the Company to the Offeror, following which the Offeror will hold 100% issued share capital in the Company; and
- (5) the Share Options will be cancelled in exchange for the payment to each Optionholder of the Option Cancellation Price for each Share Option by the Offeror.

TERMS OF THE PROPOSAL

The Scheme

The Scheme will provide that the Scheme Shares will be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$2.71 in cash for each Scheme Share.

Under the Scheme, the total consideration payable for the Scheme Shares will be payable by the Offeror.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

The Cancellation Price of HK\$2.71 per Scheme Share represents:

- a premium of approximately 24.9% over the closing price of HK\$2.17 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 29.7% over the average closing price of approximately HK\$2.09 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;

- a premium of approximately 29.7% over the average closing price of approximately HK\$2.09 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 28.4% over the average closing price of approximately HK\$2.11 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 292.8% over the audited consolidated net asset value per Share of approximately HK\$0.69 as at 31 December 2015.

The Cancellation Price has been determined on a commercial basis after taking into account the prices of the Shares traded on the Stock Exchange, the trading multiples of comparable companies listed on the Stock Exchange and with reference to other privatisation transactions in Hong Kong in recent years.

The Option Offer

The Offeror will make (or procure to be made on its behalf) an appropriate offer to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options, vested and unvested, in exchange for cash, being an amount equal to HK\$0.64 for each outstanding Share Option with an exercise price of HK\$2.07. Such Option Offer will be conditional only upon the Scheme becoming effective. Further information on the Option Offer will be set out in a letter to the Optionholders which will be despatched as far as practicable contemporaneously with the despatch of the Scheme Document.

All the Optionholders have each given an irrevocable undertaking to the Offeror and the Company that they will not exercise any of his/her outstanding Share Options during the Offer Period and that they will accept the Option Offer.

Total Consideration and Financial Resources

On the basis of the Cancellation Price of HK\$2.71 per Scheme Share and 465,672,500 Scheme Shares in issue as at the Announcement Date, the Scheme Shares are in aggregate valued at approximately HK\$1,262.0 million. As at the Announcement Date, there are 4,275,000 outstanding Share Options. Except for the outstanding Share Options, there are no other outstanding options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the assumption that no outstanding Share Options are exercised or lapsed before the Record Date, the amount of cash required for the Proposal (before taking into account the Option Offer to be made) is approximately HK\$1,262.0 million. On the assumption that no outstanding Share Options are exercised before the Record Date, the amount of cash required for the Option Offer is approximately HK\$2.7 million, which is equal to the see-through price of HK\$0.64 per Share Option multiplied by 4,275,000 outstanding Share Options. On the assumption that all outstanding Share Options are exercised before the Record Date, the amount of cash required for the Proposal is approximately

HK\$1,273.6 million. As all the Optionholders have each given an irrevocable undertaking to the Offeror and the Company that they will not exercise any of his/her outstanding Share Options during the Option Period and that they would accept the Option Offer, the amount of cash required to implement the Proposal in full (including the Option Amount) would be approximately HK\$1,264.7 million, of which approximately HK\$1,262.0 million would be for the Proposal and approximately HK\$2.7 million would be for the Option Offer. Please refer to the section headed “Share Options” for further details.

The Offeror intends to finance the cash required for the Proposal and the Option Offer from a combination of its internal financial resources and the Facility. BNP Paribas Securities, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal and the Option Offer.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal is, and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting provided that:
 - (i) the Scheme is approved (by way of poll) by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are voted either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Independent Shareholders;

- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares, and (ii) the passing of an ordinary resolution by the Shareholders at the EGM to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (c) the Grand Court's sanction of the Scheme (with or without modifications) and its confirmation of the reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of the Company;
- (e) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals (if any) in connection with the Proposal or the Scheme having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (f) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal or the Scheme remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;

- (g) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (h) since the Announcement Date there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (i) each member of the Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets or undertakings of any member of the Group up to the date immediately preceding the Effective Date, in each case which is material and adverse in the context of the Group taken as a whole.

With reference to Condition (e) above, the Company and the Offeror are not aware of any other necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required.

The Offeror reserves the right to waive any of Conditions (e) to (i), either in whole or in respect of any particular matter. Conditions (a) to (d) cannot be waived in any event. If any of the above Conditions cannot be fulfilled or waived (as applicable), the Scheme will not become effective, but no break fees will be payable by any party.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Grand Court may direct), failing which the Proposal and the Scheme will lapse. The Company has no right to waive any of the Conditions.

When the Conditions are fulfilled or waived (as applicable) the Scheme will become effective and binding on the Offeror, the Company and all the Scheme Shareholders. According to the Takeovers Code, the Scheme Document should be posted within 21 days of the date of this announcement but the Executive can be consulted if an extended period for the despatch of the Scheme Document is required to accommodate the timetable of the Grand Court. The Company intends to consult with the Executive in relation to such an extension. As of the date of this announcement, the Company has no indication as to what directions the Grand Court will make with respect to the Proposal and convening the Court Meeting but the Company will seek directions that the Scheme Document be despatched as soon as practicable. The extraordinary general meeting required in relation to the capital reduction will be convened in accordance with the Company's Memorandum and Articles of Association. The Company will issue further announcements to update the Shareholders and Optionholders as and when necessary once the directions are made by the Grand Court. A detailed indicative expected timetable for all steps required for the Proposal will also be included in the Scheme Document.

The implementation of the Option Offer will be conditional only upon the Scheme becoming effective.

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 and/or other professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, and the Company has 1,047,228,500 Shares in issue.

As at the Announcement Date, the Offeror and the Offeror Concert Parties held in aggregate 581,556,000 Shares, representing approximately 55.53% of the issued share capital of the Company, and the Scheme Shares, comprising 465,672,500 Shares, represent approximately 44.47% of the issued share capital of the Company.

On the assumption that no outstanding Share Options are exercised before the Record Date and that there is no change in shareholdings of the Company, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal and the Restructuring:

Shareholders	As at the Announcement		Upon completion of the Proposal and the Restructuring	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Offeror¹	—	—	1,047,228,500	100
Offeror Concert Parties				
SeeSi Universal ²	267,718,310	25.57	—	—
Sino Broad	259,605,634	24.79	—	—
Renown Harbour	40,563,380	3.87	—	—
Copious All	8,112,676	0.77	—	—
Fang Shengkang	3,056,000	0.29	—	—
Fang James	<u>2,500,000</u>	<u>0.24</u>	<u>—</u>	<u>—</u>
Aggregate number of Shares of the Offeror and the Offeror Concert Parties	581,556,000	55.53	—	—
Independent Shareholders³	<u>465,672,500</u>	<u>44.47</u>	<u>—</u>	<u>—</u>
Total	1,047,228,500	100	1,047,228,500	100
Total Number of Scheme Shares	465,672,500	44.47	—	—

Notes:

- As described in the section headed “Information on the Offeror” below, the Offeror is wholly owned by Crista Universal which in turn is owned as to 42.36% by SeeSi Universal, 50.01% by Sino Broad, 6.36% by Renown Harbour and 1.27% by Copious All.
- Cantrust (Far East) Limited, the trustee of The Fang Family Trust, holds the entire issued share capital of Fang BVI Holding Limited through Rustem Limited (as the nominee of Cantrust (Far East) Limited). Fang BVI Holding Limited indirectly holds 267,718,310 Shares of the Company by holding the entire issued share capital of SeeSi Universal. The Fang Family Trust is a discretionary trust set up by Mr. Fang James (as the settlor) and the discretionary objects of the trust include Mr. Fang James, his spouse and his children. Therefore, each of Mr. Fang James, Fang BVI Holding Limited, Rustem Limited and Cantrust (Far East) Limited are deemed to be interested in the interests of 267,718,310 Shares held by SeeSi Universal.

3. The Independent Shareholders include Mr. Wu Tak Lung and Mr. Shen Jianlin, independent non-executive Directors, who are personally interested in 285,000 Shares and 187,500 Shares, representing approximately 0.03% and 0.02% of the issued Share capital of the Company, respectively, as at the Announcement Date.
4. All percentages in the above table are approximations. This table is prepared on the assumption that no outstanding Share Options are exercised.

Share Options

As at the Announcement Date, there are 4,275,000 outstanding Share Options granted under the Share Option Scheme each relating to one Share. Other than such Share Options, there are no other options, derivatives, warrants or other securities convertible or exchangeable into the Shares which were issued by the Company.

The exercise of the 4,275,000 outstanding Share Options in full would result in the issue of 4,275,000 new Shares, representing approximately 0.41% of the issued share capital of the Company as at the Announcement Date and approximately 0.41% of the issued share capital of the Company as enlarged by the issue of such new Shares. The exercise price of each of those outstanding Share Options is HK\$2.07 per Share.

Accordingly, as far as practicable contemporaneously with the despatch of the Scheme Document, the Offeror will make (or procure to be made on its behalf) the Option Offer to holders of such 4,275,000 Share Options to cancel every vested and unvested Share Option in accordance with Rule 13 of the Takeovers Code. Such Option Offer is conditional only upon the Scheme becoming effective. Under the Option Offer, the Offeror will offer the Optionholders cash equal to the “see-through” price (being the Cancellation Price minus the exercise price of the Share Options) for each Share Option that they hold. The last day for acceptance of the Option Offer shall be 14 days after the Effective Date, and payment to accepting holders of Share Options under the Option Offer will be made within seven business days (as defined under the Takeovers Code) following the later of the date the Option Offer becomes, or is declared, unconditional and the date of receipt of a duly completed acceptance.

All the Optionholders have each given an irrevocable undertaking to the Offeror and the Company that they will not exercise any of his/her outstanding Share Options during the Option Period and that they would accept the Option Offer. On the assumption that no outstanding Share Options are exercised before the Record Date and that there is no other change in shareholdings of the Company, forthwith after (a) the Scheme has become effective, (b) the withdrawal of the listing of the Shares on the Stock Exchange has taken place, and (c) the transfer of the Shares held by Mr. Fang Shengkang, Mr. Fang James, Sino Broad, SeeSi Universal, Renown Harbour and Copious All to the Offeror, the Offeror will hold the entire issued share capital of the Company.

INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Wu Tak Lung, Mr. Shen Jianlin and Mr. Gan Weimin, and the disinterested non-executive Director, Mr. Lin Xiaofeng has been established by the Board to make a recommendation to the Independent Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting, and to the Optionholders as to its views on acceptance of the Option Offer.

Mr. Fang James, Mr. Fang Shengkang and Mr. Lu Songkang, all being the Offeror Concert Parties are regarded to have a material interest in the Proposal. Accordingly, Mr. Lu Songkang (a non-executive Director) has been precluded from joining the Independent Board Committee. They have not participated in any vote, and will continue to abstain from voting at meetings, of the Board in relation to the Proposal and the Scheme. The Directors (excluding members of the Independent Board Committee) believe that the terms of the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

The Scheme Shareholders and the Optionholders are reminded to carefully read the Scheme Document and the letter of advice from the independent financial adviser to the Independent Board Committee contained therein before making a decision.

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT BOARD COMMITTEE

An independent financial adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Option Offer. An announcement will be made by the Company as soon as possible after the appointment of such independent financial adviser.

RESTRUCTURING REGARDING SUBSTANTIAL SHAREHOLDERS

As at the Announcement Date, the Offeror is ultimately and beneficially owned as the 50.01%, 42.36%, 6.36% and 1.27% by Mr. Fang Shengkang, The Fang Family Trust, Mr. Lu Songkang and Mr. Chai Junqi. Subject to the Scheme becoming effective, each of these ultimate beneficial owners and Mr. Fang James will procure the transfer of all of their respective Shares held by themselves and/or their investment vehicles in the Company to the Offeror at the consideration calculated at the Cancellation Price per Share. In addition, Mr. Fang Shengkang will provide cash contribution to Crista Universal, which will in turn be advanced to the Offeror to finance the Proposal. In consideration of and in exchange for the above equity and cash contribution, Crista Universal will allot and issue new shares to each of the investment vehicles held by the above ultimate and beneficial owners, at a price equal to the Cancellation Price per share, in proportion to their respective cash/equity contribution to Crista Universal as aforesaid. Upon completion of the Restructuring, the respective interest of Mr. Fang Shengkang, The Fang Family Trust, Mr. Lu Songkang and Mr. Chai Junqi in Crista Universal, and in turn the Offeror, will remain unchanged.

As a result, the 581,556,000 Shares (approximately 55.53% of the issued Share capital of the Company) originally held by Mr. Fang James, Mr. Fang Shengkang, SeeSi Universal, Sino Broad, Renown Harbour and Copious All will all become held by the Offeror.

REASONS FOR THE PROPOSAL

- (a) *A depressed share price may continue to adversely impact the Company's business, reputation with customers and employee morale*

Since its listing in 2006, the Company's share price performance has not been satisfactory. As a producer of bathroom masters in China, the Company strives to protect and enhance its market image and perception.

The Offeror considers that the depressed share price has had an adverse impact on the Company's reputation with customers, and therefore on its business, and also on employee morale. The implementation of the Proposal could eliminate this adverse impact.

- (b) *Low liquidity of Shares may continue to cause abnormal share price fluctuation*

The average daily trading volume of the Shares for the 24 months up to and including the Last Trading Day was approximately 1.49 million Shares per day, representing only approximately 0.14% of the issued Shares as at the Announcement Date. The low trading liquidity of the Shares could make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the Company's share price occurs.

- (c) *A good opportunity for Scheme Shareholders to realize their investment for a significant premium without suffering any illiquidity discount*

The Proposal and the Option Offer are intended to provide the Scheme Shareholders and the Optionholders with an opportunity to realise their investment in the Company for cash at a premium without having to suffer any illiquidity discount. The Shares have closed at a price of HK\$2.17 on the Last Trading Day, which is below the Cancellation Price of HK\$2.71. Taking into account the bonus issue of the Company in 2010 on the basis of one bonus Share for every two Shares, the Cancellation Price is 230.5% higher than the adjusted IPO price of HK\$0.82.

INFORMATION OF THE COMPANY

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose shares have been listed on the Main Board of the Stock Exchange since 8 December 2006. The Group is principally engaged in the design, manufacture and distribution of bathroom masters, exhaust fans and other home appliances.

INFORMATION ON THE OFFEROR

The Offeror is an exempted company incorporated in the Cayman Islands on 5 April 2016. It is an investment holding company and has not been engaged in any other business activities since its incorporation.

The Offeror is wholly owned by Crista Universal which is held as to 50.01% by Sino Broad, 42.36% by SeeSi Universal, 6.36% by Renown Harbour and 1.27% by Copious All.

Sino Broad is a company incorporated in the British Virgin Islands, which is wholly and ultimately owned by Mr. Fang Shengkang, an executive Director and a director of the Offeror.

SeeSi Universal is a company incorporated in the British Virgin Islands, which is wholly owned by Fang BVI Holding Limited which is in turn wholly owned by Rustem Limited. Rustem Limited is wholly and ultimately owned by the family trust of Mr. Fang James, an executive Director and a director of the Offeror, who is the founder and the settlor of the trust.

Renown Harbour is a company incorporated in the British Virgin Islands, which is wholly and ultimately owned by Mr. Lu Songkang, a non-executive Director.

Copious All is a company incorporated in the British Virgin Islands, which is wholly and ultimately owned by Mr. Chai Junqi.

Mr. Fang James was the founder of the Group. Mr. Fang Shengkang, Mr. Lu Songkang and Mr. Chai Junqi were the management of the Group and they were founding shareholders of the Group prior to the listing of the Company. In addition, Mr. Fang James and Mr. Fang Shengkang are cousins.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange so that such withdrawal is to take place immediately following the Effective Date. The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, *inter alia*, further details of the Scheme.

IF THE SCHEME IS NOT EFFECTIVE OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme is not effective or the Proposal otherwise lapses.

If the Scheme is not effective or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on the making of subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is

subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not effective or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

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 and/or other professional advisers.

OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to Scheme Shareholders and the Option Offer to Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders and Optionholders are located. Such Scheme Shareholders and Optionholders should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and Optionholders wishing to take any action in relation to the Proposal and the Option Offer respectively to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any acceptance by the Scheme Shareholders and Optionholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers that those laws and regulatory requirements have been complied with.

SCHEME SHARES, MEETING OF SCHEME SHAREHOLDERS AND EXTRAORDINARY GENERAL MEETING OF THE COMPANY

As at the Announcement Date, the holding of Shares by the Offeror Concert Parties are as follows:

Name of Offeror Concert Party	Number of Shares	Percentage in the issued Share capital of the Company
(1) SeeSi Universal	267,718,310	25.57%
(2) Sino Broad	259,605,634	24.79%
(3) Renown Harbour	40,563,380	3.87%
(4) Copious All	8,112,676	0.77%
(5) Mr. Fang Shengkang	3,056,000	0.29%
(6) Mr. Fang James	<u>2,500,000</u>	<u>0.24%</u>
Total:	<u><u>581,556,000</u></u>	<u><u>55.53%</u></u>

All of the above Shares set out in (1) to (6) above will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective, but will be transferred to the Offeror following the Scheme becoming effective. As SeeSi Universal, Sino Broad, Renown Harbour, Copious All, Mr. Fang Shengkang and Mr. Fang James are not Scheme Shareholders, they will not vote on the Scheme at the Court Meeting. Only Scheme Shareholders will vote on the Scheme at the Court Meeting.

Each of the Offeror, Crista Universal, Seesi Universal, Sino Broad, Renown Harbour, Copious All, Mr. Fang James (and Fang BVI Holding Limited, Rustem Limited and Cantrust (Far East) Limited), Mr. Fang Shengkang, Mr. Lu Songkang, Mr. Chai Junqi will undertake to the Grand Court that they will be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

By reason of being the financial adviser to the Offeror, BNP Paribas Securities is presumed to be acting in concert with the Offeror in relation to the Company. As at the Announcement Date, and so far as the Offeror is aware taking into account Note 1 to Rule 3.5 of the Takeovers Code, BNP Paribas Securities and persons controlling, controlled by or under the same control with it (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) which are presumed to be acting in concert with the Offeror in relation to the Company do not hold any Shares.

All Shareholders will be entitled to attend the EGM and vote on (i) the special resolution to approve and give effect to the reduction of the share capital of the Company by cancelling and extinguishing the Scheme Shares, and (ii) the ordinary resolution to immediately thereafter increase the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares and apply the

reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

COSTS OF THE SCHEME

If the Independent Board Committee or the independent financial adviser to the Independent Board Committee does not recommend the Proposal, the Scheme, or the Option Offer and the Scheme is not effective, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

GENERAL

The Offeror has appointed BNP Paribas Securities as its financial adviser in connection with the Proposal and the Option Offer.

The Offeror confirms that, as at the Announcement Date:

- (i) save as disclosed in the section headed “Shareholding structure of the Company” above, none of the Offeror or the Offeror Concert Parties owns or has control or direction over the relevant securities (as defined in Note 4 to Rule 22) of the Company;
- (ii) none of the Offeror or the Offeror Concert Parties has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in the Company;
- (iii) other than the irrevocable undertakings received from the Optionholders, none of the Offeror or the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Scheme or to accept the Option Offer;
- (iv) save for the Restructuring, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Proposal and the Option Offer;
- (v) save for the conditions set out in the section headed “Conditions of the Proposal and the Scheme” above, there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal and the Option Offer; and
- (vi) none of the Offeror or the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

None of the Offeror or the Offeror Concert Parties has any dealings in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the 6-month period prior to the commencement of the Offer Period.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, *inter alia*, further details of the Proposal, the Scheme and the Option Offer, the expected timetable, an explanatory memorandum as required under the Companies Law and the Rules of the Grand Court, information regarding the Company, recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Option Offer and the letter of advice from the independent financial adviser to the Independent Board Committee, a notice of the Court Meeting and a notice of EGM, together with forms of proxy in relation thereto and the form of acceptance for cancellation of the Share Options, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Companies Law, the orders of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Scheme Shareholders are urged to carefully read the Scheme Document containing such disclosures before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM.

DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Offeror or the Company) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them.

Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Since the suspension of trading in the Shares from 9:00 a.m. on 19 May 2016 pending the issue of this announcement, time was taken in relation to the confirmation of the sufficiency of financial resources.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 19 May 2016 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 30 May 2016.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly
“Announcement Date”	29 May 2016, being the date of this announcement
“associate”	has the meaning ascribed to it in the Takeovers Code
“BNP Paribas Securities”	BNP Paribas Securities (Asia) Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror
“Board”	the board of Directors of the Company
“business day”	a day on which the Stock Exchange is open for the transaction of business
“Cancellation Price”	the cancellation price of HK\$2.71 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Companies Law”	the Companies Law (2013 Revision) of the Cayman Islands
“Company”	AUPU Group Holding Company Limited (奧普集团控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are currently listed on the Main Board of the Stock Exchange
“Conditions”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “Conditions of the Proposal and the Scheme” of this announcement

“Copious All”	Copious All Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Chai Junqi
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme will be voted upon
“Crista Universal”	Crista Universal Company Limited (羽冠寰宇有限公司), an exempted company incorporated in the Cayman Islands with limited liability and is owned as to 50.01% by Sino Broad, as to 42.36% by SeeSi Universal, as to 6.36% by Renown Harbour and as to 1.27% by Copious All
“Directors”	directors of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Law
“EGM”	the extraordinary general meeting to be convened by the Company to consider and if appropriate, to approve, among others, (i) the special resolution in relation to the reduction of issued share capital of the Company by cancelling the Scheme Shares; and (ii) the ordinary resolution in relation to the restoration of the issued share capital of the Company to its former amount by the issue of the same number of Shares as the number of Scheme Shares cancelled, credited as fully paid, to the Offeror
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Facility”	the loan facility arranged by BNP Paribas (being the parent company of BNP Paribas Securities), acting through its Hong Kong Branch, for the purpose of, among other things, financing the Proposal and the Option Offer; the lenders being BNP Paribas, acting through its Hong Kong branch and other lenders to be arranged by it
“Fang Family Trust”	the discretionary trust established by Mr. Fang James, an executive Director
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company established by the Board to make a recommendation to the Independent Shareholders and (as the case may be) the Optionholders in respect of, among others, the Proposal, the Scheme and the Option Offer
“Independent Shareholders”	the Shareholders other than the Offeror and the Offeror Concert Parties
“Last Trading Day”	18 May 2016, being the last trading day prior to the date of suspension of trading in the Shares on the Stock Exchange pending the release of this announcement
“Long Stop Date”	means the date which is 180 days after the date of this announcement
“Offer Period”	has the meaning given to it in the Takeovers Code
“Offeror”	Upwind Holding Company Limited (迎風控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and wholly owned by Crista Universal
“Offeror Concert Parties”	parties acting in concert with the Offeror in relation to the Company, including Mr. Fang Shengkang, Mr. Fang James (and Fang BVI Holding Limited, Rustem Limited, Cantrust (Far East) Limited and the Fang Family Trust), Mr. Lu Songkang, Mr. Chai Junqi, Crista Universal, Sino Broad, SeeSi Universal, Renown Harbour and Copious All
“Option Amount”	the amount required for the Option Offer
“Option Cancellation Price”	the cancellation price of HK\$0.64 per Share Option payable in cash by the Offeror to the Optionholders pursuant to the Option Offer
“Option Offer”	the offer to be made by or on behalf of the Offeror to the holders of the outstanding Share Options
“Optionholders”	the holders of the Share Options
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme
“Record Date”	the appropriate record date to be announced for determining entitlements under the Scheme

“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Renown Harbour”	Renown Harbour Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Lu Songkang, a non-executive Director
“Restructuring”	the shareholding restructuring as described in the section of this announcement headed “Restructuring Regarding Substantial Shareholders” above
“Rules of the Grand Court”	the Cayman Islands Grand Court Rules (1995) (Revised Edition), including Practice Direction 2/2010
“Scheme”	a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of all the Scheme Shares in exchange for the Cancellation Price and the restoration of the share capital of the Company to the amount immediately before the cancellation of the Scheme Shares
“Scheme Document”	the scheme document of the Company and the Offeror to be issued to all Shareholders containing, <i>inter alia</i> , further details of the Proposal together with the additional information specified in the section of this announcement headed “Despatch of Scheme Document” above
“Scheme Share(s)”	Share(s) other than those held by the Offeror and the Offeror Concert Parties
“Scheme Shareholders”	holder(s) of Scheme Shares generally and, for the purposes of voting on the Scheme at the Court Meeting, as at the Record Date
“SeeSi Universal”	SeeSi Universal Limited, a company incorporated in the British Virgin Islands, which is wholly and ultimately owned by the Fang Family Trust
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”	holder(s) of Shares

“Share Option(s)”	the share option(s) granted under the Share Option Scheme from time to time
“Share Option Scheme”	the share option scheme adopted by the Company on 16 November 2006
“Sino Broad”	Sino Broad Holdings Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mr. Fang Shengkang, an executive Director
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong

By order of the board of directors of
Upwind Holding Company Limited
 (迎風控股有限公司)
Fang James
Director

By order of the Board of
AUPU Group Holding Company Limited
 (奧普集團控股有限公司)
Fang James
Chairman

29 May 2016

As at the Announcement Date, the directors of the Offeror are Mr. Fang James and Mr. Fang Shengkang.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the 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 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 executive Directors are Mr. Fang James, Mr. Fang Shengkang and Mr. Wu Xingjie; the non-executive Directors are Mr. Lu Songkang and Mr. Lin Xiaofeng; the independent non-executive Directors are Mr. Wu Tak Lung, Mr. Shen Jianlin and Mr. Gan Weimin.

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 Offeror and the Offeror Concert Parties) 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 Offeror and the Offeror Concert Parties) 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.