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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

PROPOSED PRIVATISATION OF

AUPU GROUP HOLDING COMPANY LIMITED

BY

UPWIND HOLDING COMPANY LIMITED

BY WAY OF

A SCHEME OF ARRANGEMENT

(UNDER SECTION 86 OF THE COMPANIES LAW OF THE CAYMAN ISLANDS)

AND

**PROPOSED CASH OFFER TO CANCEL ALL OUTSTANDING SHARE OPTIONS
DESPATCH OF SCHEME DOCUMENT AND OPTION OFFER LETTER**

DESPATCH OF SCHEME DOCUMENT AND OPTION OFFER LETTER

The Scheme Document together with the respective notices of the Court Meeting and the EGM to be held on Wednesday, 14 September 2016 and the relevant proxy forms in respect of the Court Meeting and the EGM have been despatched to the Shareholders and the Optionholders on Monday, 22 August 2016. The Option Offer Letters have also been despatched to the Optionholders on the same day.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE

The Scheme Document contains, among other things, a letter from Wallbanck Brothers Securities (Hong Kong) Limited, the Independent Financial Adviser, giving its advice to the Independent Board Committee in connection with the Proposal and the Option Offer, and a letter from the Independent Board Committee containing its recommendations to the Scheme Shareholders and the Optionholders in respect of the Proposal and the Option Offer, respectively. Scheme Shareholders and Optionholders are urged to read and consider carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser as 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 Friday, 9 September 2016 to Wednesday, 14 September 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 Wednesday, 28 September 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 December 2016 (or such later date, if any, as: (i) the Offeror and the Company may agree in writing; or (ii) as the Grand Court may, on application of the Offeror or the Company, allow or 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, Optionholders and potential investors are advised to 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 stockbrokers, bank managers, solicitors or other professional advisors.

References are made to (i) the joint announcement dated 29 May 2016 jointly issued by AUPU Group Holding Company Limited (the “**Company**”) and Upwind Holding Company Limited (the “**Offeror**”) 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 17 June 2016 jointly issued by the Company and the Offeror in relation to the

extension of time for despatch of the composite document of the Company and the Offeror (the “**Scheme Document**”); and (iii) the joint announcement dated 5 August 2016 jointly issued by the Company and the Offeror 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 AND THE OPTION OFFER LETTER

The Scheme Document together with the respective notices of the Court Meeting and the EGM of the Company to be held on Wednesday, 14 September 2016 and the relevant proxy forms have been despatched to Shareholders and Optionholders on Monday, 22 August 2016. The Option Offer Letters have also been despatched to the Optionholders on the same day.

The Scheme Document contains, among other things, further details of the Proposal, the Scheme and the Option Offer, the expected timetable, the explanatory statement of the Scheme as required under the Companies Law, general information regarding the Company and the Offeror, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser; a sample Option Offer Letter to the Optionholders; and notices of the Court Meeting and the EGM.

The Scheme Document will also be available on the websites of the Stock Exchange and the Company from Monday, 22 August 2016.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising Mr. Wu Tak Lung, Mr. Shen Jianlin, Mr. Gan Weimin, all being the independent non-executive Directors of the Company and Mr. Lin Xiaofeng, being a non-executive Director of the Company, has been established by the Board to make recommendations to the Scheme Shareholders and the Optionholders as to whether the terms of the Proposal and the Option Offer are 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 and the Optionholders in respect of the Proposal and the Option Offer respectively.

Wallbank Brothers Securities (Hong Kong) 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 and the Option Offer. The Scheme Document contains, among other things, a letter from Wallbank Brothers Securities (Hong Kong) Limited, the Independent Financial Adviser, giving its advice to the Independent Board Committee in connection with the Proposal and the Option Offer.

Scheme Shareholders and Optionholders are urged to read and consider carefully the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as 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 10:00 a.m. and 11:30 a.m. (or immediately after the conclusion or adjournment of the Court Meeting convened on the same day and place), respectively, on Wednesday, 14 September 2016 at Ching Room, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, 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; and (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 Offeror.

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 Offeror 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 Friday, 9 September 2016 to Wednesday, 14 September 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 Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. (Hong Kong time) on Thursday, 8 September 2016.

CONDITIONS OF THE PROPOSAL AND THE OPTION OFFER

Shareholders, Optionholders 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 Wednesday, 28 September 2016 (Cayman Islands time). Details of the Conditions are set out in the Scheme Document. The Option Offer is conditional upon the Scheme becoming effective.

All the Conditions will have to be fulfilled or waived, as applicable, on or before 31 December 2016 (or such later date, if any, as: (i) the Offeror and the Company may agree in writing; or (ii) as the Grand Court may, on application of the Offeror or the Company, allow or 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 this (1) Scheme Document
and (2) Option Offer Letter 22 August 2016

Latest time for lodging transfers of the Shares
in order to qualify for attending and voting at
the Court Meeting and the EGM before 4:30 p.m. on 8 September 2016

Register of members of the Company closed for
determination of entitlements of the Shareholders
to attend and vote at the Court Meeting and
at the EGM ^(Note 1) 9 September 2016 to 14 September 2016
(both days inclusive)

Latest time for lodging forms of proxy in respect of the:

Court Meeting ^(Note 2) 10:00 a.m. on Monday, 12 September 2016

EGM ^(Note 2) 11:30 a.m. on Monday, 12 September 2016

Court Meeting ^(Note 3) 10:00 a.m. on Wednesday 14 September 2016

EGM ^(Note 3) 11:30 a.m. Wednesday on 14 September 2016
(or as soon as after the conclusion
or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting
and the EGM published on the website of
the Stock Exchange and the website of
the Company no later than 7:00 p.m. on 14 September 2016

Expected latest time for dealing in the Shares
on the Stock Exchange 4:00 p.m. on 15 September 2016

Latest time for lodging transfer of Shares in order to qualify for entitlements under the Scheme	4:30 p.m. on 21 September 2016
Register of members of the Company closed for determination of the Scheme Shareholders who are qualified under the Scheme.....	From 22 September 2016 onwards
Court Hearing to sanction the Scheme and to confirm the Reduction ^(Note 4)	Thursday, 22 September 2016 (Cayman Islands time)
Announcement of the results of the court hearing to sanction the Scheme and to confirm the Reduction	26 September 2016
Record Date	28 September 2016
Effective Date ^(Note 4&5)	28 September 2016 (Cayman Islands time)
Announcement of (1) the Effective Date; and (2) the withdrawal of the listing of the Shares on the Stock Exchange	before 8:30 a.m. on 29 September 2016
Expected withdrawal of the listing of the Shares on the Stock Exchange becomes effective.....	9:00 a.m. on 30 September 2016
Cheques for cash entitlements under the Proposal ^(Note 6)	on or before 7 October 2016
Latest time to accept Option Offer ^(Note 7)	4:30 p.m. on 12 October 2016
Lapse of outstanding Share Options not tendered into Option Offer	12 October 2016
Last day for despatch of cheques for cash payment under the Option Offer ^(Note 8)	21 October 2016

Notes:

- (1) The closure of the register of members of the Company during this period is not for the purpose of determining entitlements under the Scheme. Instead, it is for the purpose of determining entitlements of the Shareholders to attend and vote at the Court Meeting and the EGM.
- (2) Forms of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than the times and dates stated above. The pink form of proxy in respect of the Court

Meeting may alternatively be handed to the chairman of the Court Meeting at the Court Meeting before the taking of the poll if it is not so deposited and the chairman of the Court Meeting shall have absolute discretion as to whether or not to accept it. 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 deposited by the time and date stated above. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude a Shareholder entitled to do so from attending the relevant meeting and voting in person. In such event, the relevant form of proxy will be deemed to have been revoked.

- (3) The Court Meeting and EGM will be held at Ching Room, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon at the times and dates specified above. Notice of the Court Meeting is set out on pages 165 to 167 of the Scheme Document and Notice of the EGM is set out on pages 168 to 170 of the Scheme Document.
- (4) All references in this Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected dates of the Court Hearing of the petition to sanction the Scheme and to confirm the Reduction and the Effective Date, which are the relevant times and dates in the Cayman Islands. Cayman Islands time is 13 hours behind Hong Kong time.
- (5) The Scheme will become effective upon all the Conditions having been satisfied or waived, as applicable.
- (6) Cheques for cash entitlements to the Scheme Shareholders will be despatched by ordinary post in envelopes addressed to Scheme Shareholders at their respective addresses as appearing in the register of members at the Record Date or, in the case of joint holders, at the address appearing in the register of members at the Record Date of the joint holder whose name then stands first in the register of members in respect of the relevant joint holdings as soon as possible but in any event within 7 Business Days following the Effective Date. Cheques shall be posted at the risk of the addresses and neither the Offeror nor the Company shall be responsible for any loss or delay in receipt.
- (7) The form of acceptance in relation to the Option Offer (which is appended to the Option Offer Letter) duly completed and executed in accordance with the instructions on them, together with the relevant certificate(s) or other documents (if any) evidencing the grant of the outstanding Share Options to you and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) for the aggregate principal amount of outstanding Share Options which you hold, must be lodged with the Company at Unit A, 6/F, Queen's Centre, 58–64 Queen's Road East, Wan Chai, Hong Kong (marked for the attention of the "Company Secretary"), so as to reach it no later than 4:30 p.m. on 12 October 2016 or such later date and time as may be notified through announcement, failing which the Optionholders will not receive the Option Amount. Copies of the Option Offer Letter and the form of acceptance in relation to the Option Offer can also be obtained from the Company at Unit A, 6/F, Queen's Centre, 58–64 Queen's Road East, Wan Chai, Hong Kong, subsequent to the despatch of the Option Offer Letter.
- (8) Payment in respect of validly completed form of acceptance in relation to the Option Offer received before 4:30 p.m. on 12 October 2016 will be despatched as soon as possible but in any event within 7 Business Days following the later of: (i) the Scheme becoming effective; and (ii) the receipt of such validly completed form of acceptance in relation to the Option Offer.

WARNINGS

Shareholders, Optionholders 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, Optionholders 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 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

Hong Kong, 22 August 2016

As at the date of this announcement, 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.