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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)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
AND
RESUMPTION OF TRADING IN THE SHARES**

DISCUSSIONS IN RELATION TO A POSSIBLE TRANSACTION

Further to the announcement of Dongpeng Holdings Company Limited (the “**Company**”) released on 1 February 2016 regarding the trading halt in the Company’s shares (the “**Shares**”), the board of directors (the “**Board**”) of the Company announces that it has been approached by Profit Strong Investments Limited (利堅投資有限公司) (“**Profit Strong**”) and Max Glory Ltd. (“**Max Glory**”, together with Profit Strong, the “**Joint Offerors**”) regarding a possible 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, as amended from time to time (the “**Possible Proposal**”). The Possible Proposal involves the cancellation of the Shares other than those held by the Joint Offerors and their concert parties (the “**Scheme Shares**”) at a cancellation price of HK\$4.48 per Scheme Share in cash (the “**Cancellation Price**”) and the withdrawal of the listing of the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to satisfaction of the pre-condition and conditions that may be imposed on the Possible Proposal. The Joint Offerors also indicate that the Cancellation Price will not be increased and they will not reserve the right to do so. HK\$4.48 per Scheme Share will set the floor for the Cancellation Price, should the Possible Proposal proceed under The Codes on Takeovers and Mergers (the “**Takeovers Code**”).

Profit Strong is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. HE Xinming, the chairman and executive director of the Company. As at the date of this announcement, Profit Strong holds 392,518,463 Shares, representing 31.07% of the issued share capital of the Company.

Max Glory Ltd. is an exempted company incorporated in the Cayman Islands with limited liability. It is effectively controlled by 上海喆德投資中心(有限合夥), a Sequoia RMB special purpose fund established in the PRC, and is managed by Sequoia Capital China Advisors Limited, an affiliate of Sequoia Capital China Growth Fund I, L.P., Sequoia Capital China Growth Partners Fund I, L.P. and Sequoia Capital China GF Principals Fund I, L.P., which are all existing shareholders of the Company holding in aggregate 97,552,800 Shares, representing 7.72% of the issued share capital of the Company as at the date of this announcement.

The Board wishes to emphasise that (i) discussions in relation to the Possible Proposal are at a negotiation stage only and (ii) the definite terms for the Possible Proposal have yet been agreed. Accordingly, at this time there is no guarantee that any proposal will ultimately be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares.

As at the date of this announcement, there are 1,263,452,800 Shares in issue and 22,250,000 outstanding share options under the pre-IPO share option scheme adopted by the Company on 31 October 2013.

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Proposal will be made by the Company until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Takeovers Code and the Rules Governing the Listing of Securities on the Stock Exchange (as the case may be).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced on the date of this announcement, being 4 February 2016. In accordance with Rule 3.8 of the Takeovers Code, associates of the Joint Offerors 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 Joint Offerors or the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

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.”

TRADING HALT AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 1 February 2016 (Hong Kong time), pending the issuance of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 February 2016 (Hong Kong time).

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

Hong Kong, 4 February 2016

As at the Announcement Date, 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</i> <i>(Chairman)</i>	<i>Mr. SU Sen</i>	<i>Ms. 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 and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.