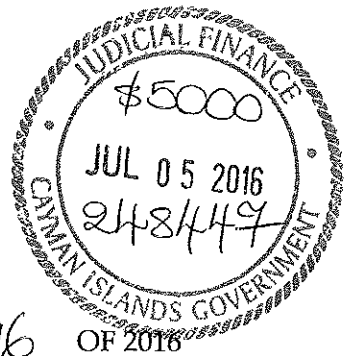


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

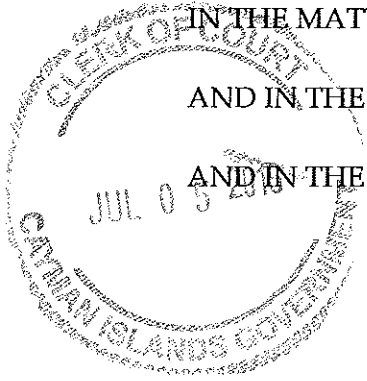


CAUSE NO. FSD 0096 OF 2016

IN THE MATTER of Sections 15 and 86 of the Companies Law (2013 Revision)

AND IN THE MATTER of the Grand Court Rules 1995 Order 102

AND IN THE MATTER of AUPU Group Holding Company Limited



PETITION



To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION of AUPU Group Holding Company Limited shows as follows:

1. The object of this Petition is to seek:
 - (i) the sanction of the Court, pursuant to section 86 of the Companies Law (2013 Revision) (the "Companies Law"), to a proposed scheme of arrangement (the "Scheme of Arrangement") between the petitioner, AUPU Group Holding Company Limited (the "Company"), and the Scheme Shareholders as defined in the Scheme of Arrangement contained in a composite scheme document (the "Composite Scheme Document") a draft of which is attached as Exhibit "WTL-1" to the first affirmation of Wu Tak Lung which will be sent to all Scheme Shareholders; and
 - (ii) the confirmation of the Court, pursuant to section 15 of the Companies Law, of the intended reduction of the issued share capital (the "Capital Reduction") of the Company consequent upon the cancellation of the Scheme Shares (as defined in the Scheme of Arrangement) pursuant to the Scheme of

Arrangement which is expected to be approved by a special resolution of the shareholders passed at an extraordinary general meeting of the Company immediately after the Court Meeting referred to herein.

Information of the Company

2. The Company is an investment holding company and its subsidiaries are principally engaged in the design, manufacture and distribution of bathroom masters, exhaust fans and other home appliances.

The Company was incorporated under the name of AUPU Group Holding Company Limited 奧普集团控股有限公司 on 14 July 2006 under the Companies Law as an exempted company with registration number CT-170999.

As an exempted company, the objects for which the Company was established are unrestricted, save for generally applicable statutory restrictions on its powers to trade in the Cayman Islands and is otherwise capable of exercising all the functions of a natural person as provided by section 27(2) of the Companies Law.

The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at Unit A, 6/F, Queen's Centre, 58-64 Queen's Road East, Wanchai, Hong Kong.

Share Capital and Listing

3. As at the date of this Petition, the Company has an authorised share capital of HK\$500,000,000 divided into 5,000,000,000 ordinary shares of par value HK\$0.10

each (the "Shares"), 1,047,228,500 of which have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.

4. The issued Shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 8 December 2006 (the "IPO").

As at the date of this Petition, 581,556,000 Shares (representing approximately 55.53 of the issued Shares) were legally and/or beneficially owned by parties (the "Offeror Concert Parties") acting in concert or presumed to be acting in concert with Upwind Holding Company Limited (the "Offeror"), under the definition of "acting in concert" under the Code on Takeovers and Mergers of Hong Kong (the "Takeovers Code").

In addition to the Shares that are held by the Offeror Concert Parties mentioned above, there are 465,672,500 Shares (representing approximately 44.47% of the issued Shares) are held by independent shareholders which can vote on the Scheme of Arrangement.

On the assumption that no outstanding Share Options (as defined in the Composite Scheme Document) are exercised before the Effective Date (as defined in the Scheme of Arrangement) and on the assumption that there is no other change in shareholdings in the Company, the profile of the shareholders of the Company (the "Shareholders") as at the Effective Date (as defined in the Composite Scheme Document) is expected to be as follows:

	As at the date of this Petition		As at the Effective Date	
	Number of Shares	%	Number of Shares	%
Offeror	0	0	1,047,228,500	100

Offeror Concert Parties				
Sino Broad	259,605,634	24.79	0	0
SeeSi	267,718,310	25.57	0	0
Renown Harbour	40,563,380	3.87	0	0
Copious All	8,112,676	0.77	0	0
James	2,500,000	0.24	0	0
Shengkang	3,056,000	0.29	0	0
Subtotal (aggregate number of Shares not voting on the Scheme of Arrangement)	581,556,000	55.53	1,047,228,500	100.00
Independent Shareholders	465,672,500	44.47	0	0
Total Shares in issue	1,047,228,500	100.00	1,047,228,500	100.00
Total number of Scheme Shares (which represent all issued Shares except for those held by the Offeror Concert Parties)	465,672,500	100.00	N/A	N/A

Note: the Shares held by the Offeror Concert Parties will be transferred to the Offeror after the Scheme of Arrangement becoming effective so that the Offeror will own 100% of the Company.

Information of the Offeror and the Offeror Concert Parties

- The Offeror is an exempted company incorporated under the laws of the Cayman Island with limited liability on 5 April 2016. Its registered office is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. It is an investment holding company and has not been engaged in any other business activities since its incorporation. The directors of the Offeror are Mr. Fang James and Mr. Fang Shengkang.

The Offeror is wholly-owned by Crista Universal Company Limited (“Crista”) which is held as to 50.01% by Sino Broad Holdings Limited (“Sino Broad”), 42.36% by SeeSi Universal Limited (“SeeSi”), 6.36% by Renown Harbour Limited (“Renown Harbour”) and 1.27% by Copious All Limited (“Copious All”). The directors of Crista are Mr. Fang James and Mr. Fang Shengkang.

Crista is an exempted company incorporated under the laws of the Cayman Island with limited liability on 5 April 2016. Its registered office is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Sino Broad is a limited liability company incorporated under the laws of the British Virgin Islands on 10 July, 2013. Its registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Sino Broad is wholly-owned by Fang Shengkang (“Shengkang”). Mr. Fang Shengkang is the sole director of Sino Broad.

SeeSi is a limited liability company incorporated under the laws of the British Virgin Islands on 18 May, 2016. Its registered office is at Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. SeeSi is wholly-owned by Fang (BVI) Holding Limited (“Fang (BVI) Holding”) which in turn is wholly-owned by Rustem Limited (“Rustem”) which in turn is wholly-owned by Cantrust (Far East) Limited (the “Cantrust”) which is the trustee of The Fang Family Trust. The Fang Family Trust is a discretionary trust set up by Fang James (“James”) as settlor and the discretionary objects of the trust include James, his spouse and his children.

Renown Harbour is a limited liability company incorporated under the laws of the British Virgin Islands on 19 May, 2014. Its registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Renown

Harbour is wholly-owned by Lu Songkang (“Lu”). Mr. Lu Songkang is the sole director of Renown Harbour.

Copious All is a limited liability company incorporated under the laws of the British Virgin Islands on 20 May, 2014. Its registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Copious All is wholly-owned by Chai Junqi (“Chai”). Mr. Chai Junqi is the sole director of Copious All.

The Offeror, Crista, Sino Broad, SeeSi, Renown Harbour, Copious All, Shengkang, James, Lu, Chai, Fang (BVI) Holding, Rustem and Cantrust has each provided its/his undertaking to be bound by the terms of the Scheme of Arrangement.

Purpose of the Scheme of Arrangement

6. The purpose of the Scheme of Arrangement is to privatise the Company so that after the Scheme of Arrangement becoming effective and the transfer of the Shares held by the Offeror Concert Parties to the Offeror, the Offeror will own 100% of the Company. This will be achieved by the steps summarised in paragraph 7 below.

Principal Features of the Scheme of Arrangement

7. The principal features of the Scheme of Arrangement are:
 - (i) the Capital Reduction by the cancellation and extinguishment of the Shares held by the Scheme Shareholders (the “Scheme Shares”) pursuant to the Scheme of Arrangement, in consideration of which the Scheme Shareholders will receive HK\$2.71 in cash for each Scheme Share (the “Cash Consideration”);

(ii) subject to and simultaneously with the Capital Reduction taking effect, the share capital of the Company being restored to its former amount by the allotment and issue to the Offeror, credited as fully paid at par, the same number of shares as the number of Scheme Shares cancelled and extinguished at the Record Date (as defined in the Scheme of Arrangement) (the "Restoration of Capital"); and

(iii) the credit arising in the books of account of the Company as a result of the Capital Reduction resulting from the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme of Arrangement being applied in paying up in full at par such number of Shares as is equal to the number of Scheme Shares cancelled at the Record Date, which shall be allotted and issued to the Offeror as mentioned in paragraph (ii) above.

8. The Scheme of Arrangement is conditional upon the Capital Reduction becoming effective.

9. After the Scheme of Arrangement becoming effective, the Shares held by the Offeror Concert Parties will be transferred to the Offeror so that the Offeror will own 100% of the Company.

10. Reasons for the Scheme of Arrangement

The Directors are of the view that the terms of the Scheme of Arrangement are attractive to the Scheme Shareholders and that the Scheme of Arrangement will be beneficial to the Scheme Shareholders as set out in the paragraphs below.

The Company also plans to implement a series of long-term growth strategies, which may affect the Company's short-term growth profile and may result in divergence between the Offeror's views on the Company's potential long-term value and investors' views on the Company's share price. Following the implementation of the Scheme of Arrangement and the Option Offer (as defined in the Scheme of Arrangement), the Offeror and the Company can make strategic decisions focused on long-term benefits, free from the pressure of market expectations, profit visibility and share price fluctuations associated with being a publicly listed company.

(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 Scheme of Arrangement 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 18 May 2016 (the "Last Trading Day", i.e., the last trading day before the announcement of the Scheme of Arrangement as mentioned below) was approximately 1.49 million Shares per day, representing only approximately 0.14% of the issued Shares as at 29 May 2016 (i.e., day of announcement of the Scheme of Arrangement). 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 Share 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 Scheme of Arrangement is intended to provide the Scheme Shareholders 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

11. After careful consideration, the Board of Directors of the Company (with James, Shengkang and Lu (being Offeror Concert Parties) abstain from voting) believes that the terms of the Scheme of Arrangement are fair and reasonable and that the implementation of the Scheme of Arrangement is in the best interests of the Shareholders as a whole. Accordingly, the Board of Directors of the Company (with James, Shengkang and Lu (being Offeror Concert Parties) abstain from voting) unanimously approved the Scheme of Arrangement.
12. Under the Takeovers Code, persons deemed to be acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement who are also Scheme Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purposes of satisfying the voting requirements of the Takeovers Code. The Scheme Shareholders who are parties acting in concert with the Offeror will not vote on the Scheme of Arrangement at the

Court Meeting (as hereinafter defined) and all Independent Shareholders (as defined in the Composite Scheme Document) will be entitled to vote at the Court Meeting.

13. The Company intends to make an application for directions herein for declarations and orders that, among other things:

- a. the relevant class of shareholders affected by the Scheme of Arrangement are the Scheme Shareholders;
- b. the Company be at liberty to convene a meeting of the Scheme Shareholders (the "Court Meeting") for the purpose of considering and, if thought fit, approving (with or without modification(s)) the Scheme of Arrangement;
- c. directions as to the mode of delivery of an explanatory statement and proxy form to the Scheme Shareholders;
- d. the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally; and,
- e. directions as to the treatment of Shares held by custodians, clearing houses and other nominees for the purposes of the "majority in number" calculation.

14. The Company proposes to convene the Court Meeting in accordance with section 86 of the Companies Law to be held on or around 29 August 2016 at which the following resolution (with such amendment(s) as may be approved at the Court Meeting) will be considered (each of the capitalised terms referred to in the resolution below are defined in the Composite Scheme Document):

"THAT a scheme of arrangement (the "Scheme of Arrangement") dated 4 August 2016

between the Company and the holders of the Scheme Shares (as defined in Scheme of Arrangement) in the form of the print thereof which has been produced to this Court Meeting and, for the purpose of identification signed by the chairman of this Court Meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved."

The Scheme Shareholders who are persons acting in concert with the Offeror in connection with the implementation of the Scheme of Arrangement will not vote at the Court Meeting.

15. Article 6 of the Articles of Association of the Company provides as follows:

"The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law."

16. The Company intends to convene an extraordinary general meeting to take place as soon thereafter as the Court Meeting is concluded at which it is intended to submit a special resolution to confirm the Capital Reduction pursuant to the Scheme of Arrangement, a special resolution to confirm the withdrawal of listing of the Company and an ordinary resolution to approve the Restoration of Capital. These resolutions are set out below.

SPECIAL RESOLUTIONS

1. **THAT:**

- (a) pursuant to the scheme of arrangement dated 4 August 2016 (the "Scheme of Arrangement") between the Company and holders of the Scheme Shares (as defined in the Scheme of Arrangement) in the form of the print thereof, which

has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and

- (b) the directors of the Company be and are hereby authorised to do all acts and things considered by them to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of capital pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of capital which the Grand Court of the Cayman Islands may see fit to impose.

2. **THAT:**

- a. the withdrawal of the listing of the shares of the Company from The Stock Exchange of Hong Kong Limited be and is here approved; and
- b. any one of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the shares of the Company.

ORDINARY RESOLUTION

3. THAT:

- (a) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the issued share capital of the Company be restored to its former amount by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of ordinary shares of HK\$0.10 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled;
- (b) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) shall be applied by the Company in paying up in full at par the new ordinary shares allotted and issued to the Offeror, pursuant to resolution 3(a) above, and the directors of the Company be and are hereby authorised to allot and issue the same accordingly; and
- (c) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him/her to be necessary or desirable in connection with the implementation of the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme of Arrangement, which the Grand Court of the Cayman Islands may see fit to impose.

17. The Scheme of Arrangement and the Capital Reduction would not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or alteration of the underlying assets,

business operations, management or financial position of the Company and would have no effect on the creditors of the Company. It is to be noted that the Capital Reduction and the Restoration of Capital will occur simultaneously. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business. It is therefore proposed to dispense with preparing a list of creditors.

18. The form of Minute proposed to be registered is as follows:

"The issued share capital of AUPU Group Holding Company Limited was by virtue of a Special Resolution passed on 29 August 2016 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 2016 reduced from HK\$104,722,850 divided into 1,047,228,500 shares of par value HK\$0.10 each to HK\$58,155,600 divided into 581,556,000 shares of par value HK\$0.10 each (the "Capital Reduction"). Simultaneously with the Capital Reduction, the issued share capital of AUPU Group Holding Company Limited was restored to HK\$104,722,850 by allotting and issuing to Upwind Holding Company Limited, credited as fully paid at par, 465,672,500 shares of par value HK\$0.10 each.

The authorised share capital of the Company, on the registration of this Minute, is HK\$500,000,000 divided into 5,000,000,000 ordinary shares of par value HK\$0.10 each."

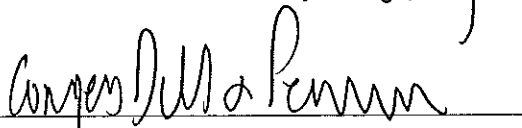
19. Your petitioner, the Company therefore prays as follows:

- (i) That the Scheme of Arrangement to be approved at the Court Meeting to be convened at the direction of this Honourable Court be sanctioned by this Honourable Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.

- (ii) That the Capital Reduction may be confirmed and that the above mentioned minute may be approved by the Court.
- (iii) That the preparation of a list of creditors be dispensed with.
- (iv) That to this end, all necessary inquiries and directions may be made and given.
- (v) Such further or other order or relief as this Honourable Court shall see fit.

And your Petitioner will ever pray etc.

Dated this 5th day of July 2016



Conyers Dill & Pearman
Attorneys-at-Law for the Petitioner herein

NOTE: It is intended to serve this Petition on AUPU Group Holding Company Limited at its registered office located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the _____ day of _____
2016, will be heard at the Law Courts, George Town, Grand Cayman on the _____ day of _____
2016 at _____ a.m. or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its said Attorneys-at-Law, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands