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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 27 November 2006 (the "Prospectus") issued by the Company.


AUPU GROUP HOLDING COMPANY LIMITED
奥普集团控股有限公司
(incorporated in the Cayman Islands as an exempted company with limited liability)
(Stock Code: 477)

ANNOUNCEMENT
EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option as described in the Prospectus was exercised in full by the Bookrunner (on behalf of the Placing Underwriters) on 13 December 2006 in respect of an aggregate of 30,600,000 additional Shares, representing 15% of the Offer Shares initially available under the Share Offer. The 30,600,000 Shares will be issued and allotted by the Company at HK\$1.23 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price under the Share Offer.

The Company announces that the Over-allotment Option as described in the Prospectus was exercised in full by the Bookrunner (on behalf of the Placing Underwriters) on 13 December 2006 in respect of an aggregate of 30,600,000 additional Shares (the "Over-allotment Shares"), representing 15% of the Offer Shares initially available under the Share Offer.

The Over-allotment Shares will be issued and allotted by the Company at HK\$1.23 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price under the Share Offer. The Over-allotment Shares will be used solely to cover over-allocations in the Placing.

The Bookrunner (on behalf of the Placing Underwriters) has borrowed 30,600,000 Shares from SeeSi Universal pursuant to the Stock Borrowing Agreement solely to cover over-allocations in the Placing. The Over-allotment Shares will be used for the return of the 30,600,000 borrowed Shares in full to SeeSi Universal.

Listing of and permission to deal in the Over-allotment Shares have been granted by the Listing Committee. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board at 9:30 a.m. on 15 December 2006.

The shareholding structures of the Company immediately before and after the issue of the Over-allotment Shares are as follows:

| Shareholders | Immediately before the issue of the Over-allotment Shares | | Immediately after the issue of the Over-allotment Shares | |
|---------------------|---|--|--|--|
| | Number of Shares | Approximate percentage of the Company's issued share capital | Number of Shares | Approximate percentage of the Company's issued share capital |
| SeeSi Universal | 476,000,000 | 70.0% | 476,000,000 | 67.0% |
| Public Shareholders | 204,000,000 | 30.0% | 234,600,000 | 33.0% |
| | <u>680,000,000</u> | <u>100.0%</u> | <u>710,600,000</u> | <u>100.0%</u> |

Immediately after the issue of the Over-allotment Shares, the total number of Shares in issue will be 710,600,000, of which an aggregate of 234,600,000 Shares will be held by public Shareholders, representing approximately 33.0% of the total number of Shares in issue as enlarged by the Over-allotment Shares.

The additional net proceeds of approximately HK\$36.7 million from the issue of the 30,600,000 Over-allotment Shares will be allocated by the Company as to approximately HK\$5.0 million for the establishment of a new production plant; approximately HK\$3.6 million for financing the enhancement and expansion of the Group's sales and distribution network; approximately HK\$9.8 million for enhancing product development capability and the remaining HK\$18.3 million (including the additional proceeds of approximately HK\$4.5 million arising as a result of fixing the Offer Price at the maximum of HK\$1.23 per Offer Share) as additional working capital of the Group.

By order of the Board
AUPU Group Holding Company Limited
奥普集团控股有限公司
Fang James
Chairman

Hong Kong, 13 December 2006

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Fang James and Mr. Fang Shengkang, two non-executive Directors, namely Mr. Lu Songkang and Mr. Chai Junqi, and three independent non-executive Directors, namely Mr. Wu Tak Lung, Mr. Cheng Houbo and Mr. Shen Jianlin.

Please also refer to the published version of this announcement in South China Morning Post.