

12 September 2016

*To the Independent Shareholders*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
CCB INTERNATIONAL CAPITAL LIMITED  
ON BEHALF OF  
JUNFUN INVESTMENT LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
GRAND CONCORD INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED  
TO BE ACQUIRED BY  
JUNFUN INVESTMENT LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**1. INTRODUCTION**

Reference is made to the Joint Announcements and the Completion Announcement.

On 25 July 2016 (after trading hours), the Vendor, the Guarantors and the Offeror entered into the Sale and Purchase Agreement, pursuant to which, the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares. The total consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$385,002,912, equivalent to HK\$1.592 per Sale Share.

Completion of the sale and purchase of the Sale Shares took place on 29 July 2016, upon which the Offeror and parties acting in concert with it became interested in a total of 241,836,000 Shares, representing approximately 58.71% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make the Offer to acquire all the Offer Shares.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror in relation to the Group. Further details on the terms of the Offer and the procedures of acceptances are set out in Appendix I to this Composite Document and the Form of Acceptance.

The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.



## 2. THE OFFER

CCBI, on behalf of the Offeror and in compliance with the Takeovers Code, hereby makes the Offer for all the Offer Shares on the terms set out in this Composite Document in accordance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$1.592 in cash**

The Offer Price of HK\$1.592 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on and from the Completion Date.

### Comparison of value

The Offer Price of HK\$1.592 per Offer Share represents:

- (a) a premium of approximately 29.43% over the closing price of HK\$1.23 per Share as quoted on the Stock Exchange as at 19 May 2016, being the last trading day prior to the commencement of the Offer Period;
- (b) a premium of approximately 4.74% over the closing price of HK\$1.520 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 6.70% over the average closing price of HK\$1.492 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 6.99% over the average closing price of HK\$1.488 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 14.86% over the average closing price of HK\$1.386 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (f) a premium of approximately 0.13% over the closing price of HK\$1.59 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (g) a premium of approximately 84.88% over the audited consolidated net asset value of the Group of approximately HK\$0.861 per Share as at 31 December 2015; and



- (h) a premium of approximately 87.47% over the unaudited consolidated net asset value of the Group of approximately HK\$0.850 per Share as at 30 June 2016.

### **Value of the Offer**

As at the Latest Practicable Date, the Company has 411,947,330 Shares in issue and there are no options, derivatives, warrants, other securities convertible into Shares, or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which are issued and outstanding. Assuming that there is no change in the issued share capital of the Company prior to the making of the Offer, based on the Offer Price of HK\$1.592 per Offer Share, the entire issued Share capital of the Company is valued at HK\$655,820,149.36.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it owned 241,836,000 Shares. Accordingly, 170,111,330 Shares are subject to the Offer and the total consideration of the Offer would be HK\$270,817,237.36 based on the Offer Price.

### **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$1.62 per Share on 15 August 2016 and HK\$0.73 per Share on 26 January 2016, respectively.

### **Financial resources available to the Offeror**

The Offeror intends to finance the consideration payable under the Offer from the internal resources of the Offeror Group and through the financing arrangements with China CITIC Bank International Limited and China Merchants Bank Co., Ltd, Shenzhen Branch.

The Offeror confirms that the payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the aforementioned financing arrangements will not depend to any significant extent on the business of the Group. The financial adviser to the Offeror is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

### **Payment**

Payment in cash in respect of acceptances of the Offer net of the seller's ad valorem stamp duty will be made as soon as possible but in any event within seven Business Days following the date on which the duly completed acceptances of the Offer and the relevant documents of title of the Shares are received by the Offeror (or their agents) to render each such acceptance complete and valid in accordance with the Takeovers Code.

### **Effect of accepting the Offer**

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.



By validly accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all Encumbrances and with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on and from the Completion Date. Acceptances of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from Encumbrances and with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on and from the Completion Date. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

### **Overseas Shareholders**

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that all applicable legal or regulatory requirements in respect of such Overseas Shareholder have been complied with and that the Offer can be accepted by such Overseas Shareholder lawfully under the laws and regulations of the relevant jurisdiction. The Overseas Shareholders should consult their professional advisers if in doubt.

Attention of the Overseas Shareholders is drawn to sub-paragraph (h) of the section headed "General" of Appendix I to this Composite Document.

### **Hong Kong stamp duty**

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher (round up to the nearest HK\$1.00), and the amount of such duty will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

### **Taxation advice**



Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, CCBI or their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **3. INFORMATION ON THE OFFEROR**

The Offeror is an exempted company incorporated in the Cayman Islands with limited liability and is an investment holding company. The entire issued share capital of the Offeror is held by Joint Full International. The entire issued share capital of Joint Full International is held by Wintime Holding, which in turn is beneficially owned by Wintime Technology as to 98.48%, Jiangsu Hongyu as to 1.29% and Mr. Yuan Guoping (袁國平) as to 0.23%. The equity interest of Wintime Technology is directly and wholly owned by Mr. Wang. The equity interest of Jiangsu Hongyu is directly held by Mr. Cui Zhenhua (崔震華) as to 80% and Ms. Yin Xiuyuan (殷秀媛) as to 20%.

The principal business of each of Joint Full International, Wintime Holding and Wintime Technology is investment holding.

As at the Latest Practicable Date, (i) the directors of the Offeror comprise Ms. Tian Ying, Ms. Chen Xiaojuan and Mr. Zhang Yanlin; (ii) the directors of Joint Full International comprise Ms. Tian Ying, Ms. Chen Xiaojuan and Mr. Zhang Yanlin; (iii) the directors of Wintime Holding comprise Mr. Wang Guangxi, Mr. Wang Jinyu, Mr. Pu Jianping, Mr. Xu Peizhong and Mr. Guo Huaibao; and (iv) the directors of Wintime Technology comprise Ms. Guo Jinling, Ms. Tang Ying and Mr. Wang Guangxi.

Mr. Wang holds a master's degree in Finance from the Zhongnan University of Economics and Law. Mr. Wang has been serving as the chairman of the board of directors of Wintime Holding since 2003. Mr. Wang, through Wintime Technology and Wintime Holding, has been investing in various projects and companies with focuses in energy and clean energy, logistics, petrochemicals, and assets management. Furthermore, Wintime Holding is also the controlling shareholder of Wintime Energy, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600157). Wintime Energy, through its subsidiaries, is principally engaged in the exploitation, operation, washing, selection and processing of coals, and has a diverse portfolio of energy power stations including electric power plants in the PRC. The Offeror expects that, through its investment in the Company, it will be able to further diversify its existing business scope, client base, asset portfolios and sources of revenue.

As at the Latest Practicable Date, the Offeror owns 241,836,000 Shares, being the Sale Shares under the Sale and Purchase Agreement. As at the Latest Practicable Date, save for the Sale Shares under the Sale and Purchase Agreement, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them did not hold, own or control any Shares,



options, derivatives, warrants or other securities convertible into Shares. Save for the purchase of the Sale Shares under the Sale and Purchase Agreement, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them had not dealt in nor did they have any shareholding interest in or control of any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

#### **4. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

After Completion, the Offeror became the controlling shareholder of the Company. The Offeror intends to continue the existing principal businesses of the Group and it has no intention to inject any assets or businesses into the Group, redeploy any of the fixed assets of the Group or dispose of any existing assets or businesses of the Group. The Offeror also intends to continue the employment of the existing management and employees of the Group (except for a proposed change to the members of the Board at such time as permitted under the Listing Rules, the Takeovers Code or other Applicable Laws (whichever is later)).

The Offeror will, following the closing of the Offer, conduct a review of the operations of the Group in order to formulate a long-term strategy for the Group to enhance its future development. Depending on the results of the review, the Offeror may also explore other business or investment opportunities which will strengthen the revenue bases of the Group and further enhance Shareholders' value. As at the Latest Practicable Date, the Offeror has not identified any such business or investment opportunities.

##### **Proposed change of the Board composition**

The Board is currently made up of seven Directors, comprising three executive Directors, being Mr. Wong, Ms. Hung and Mr. Wang Shao Hua, one non-executive Director, being Mr. Wei Jin Long, and three independent non-executive Directors, being Mr. Wang Jin Tang, Ms. Tay Sheve Li and Dr. Chan Ah Pun.

The Offeror intends to nominate the following new Directors to the Board with effect from the earliest time permitted under the Takeovers Code or such later date as the Offeror may determine. Any change to the Board will be made in compliance with the requirements of the Takeovers Code and the Listing Rules and further announcement(s) will be made as and when appropriate.

As at the Latest Practicable Date, none of the new Directors to be nominated by the Offeror holds any Shares.

##### **Biographies of new Directors to be nominated by the Offeror**

###### ***Executive Directors***

**Mr. WANG Bin**, aged 51, is a representative of the Twelfth National People's Congress of the PRC, a doctoral supervisor and a part-time professor at the Southwestern University of Finance and Economics, as well as a certified public accountant. He received his Doctor degree of economics from Southwestern University of Finance and Economics in



June 2003. Mr. Wang Bin had assumed different positions in government authority and state-owned enterprise including the deputy director of State-owned Assets Supervision and Administration Commission of the State Council of Sichuan Province in the PRC and the chairman of Sichuan Development Holdings Co., Ltd.\* (四川發展(控股)有限責任公司). Mr. Wang Bin has been serving as the vice chairman and general manager of Hainan Haide Industry Co., Ltd (海南海德實業股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000567), since October 2015.

**Ms. TIAN Ying**, aged 51, is a senior accountant. She graduated from Dongbei University of Finance and Economics in July 1988 with a bachelor's degree in statistics. She graduated from Hong Kong Baptist University in November 2012 with a master's degree in accounting and finance. In March 2015 she was appointed as the chairlady at Huaxing Power Co., Ltd.\* (華興電力股份公司). Before that Ms. Tian had worked in Beijing Sanjili Energy Co., Ltd. (北京三吉利能源股份有限公司) for more than 15 years and had served in various positions, including its chief accountant and deputy general manager.

**Mr. LAM Tet Foo**, aged 59, graduated from the National University of Singapore in June 1982 with a bachelor's degree of civil engineering, and from the University of South Australia in October 1995 with a master's degree in business administration. From 2005 to 2008, he held the position of general manager cum company director in PT Belaputera Intiland. Between 2008 and 2010, he served as the general manager of Shanghai Unifront Hotel & Property Management Co., Ltd.\* (上海優孚酒店管理有限公司). From 2010 to 2011, Mr. Lam Tet Foo was a project director in Altus Construction Consultancy (Shanghai) Limited (艾達時建築諮詢(上海)有限公司). Mr. Lam Tet Foo also served as the general manager of the project management department of Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. (中新天津生態城投資開發有限公司) from 2011 to 2014. Between April and November 2015, he served as the deputy general manager at Huaying Petrochemical Co., Ltd.\* (華瀛石油化工有限公司), and since December 2015 he has been serving as the vice president of Wintime Holding.

#### ***Non-executive Director***

**Mr. ZHANG Yanlin**, aged 48, graduated from Zhongnan University of Finance and Economics in July 1990 with a bachelor's degree in economics. He served as the general manager of Shenzhen Hua Sheng Investment Development Co., Ltd. (深圳華晟投資發展有限公司) from July 2002 to October 2004. From August 2002 to November 2004, he held the position of supervisor at MyHome Real Estate Development Group Co., Ltd. (美好置業集團股份有限公司) (previously known as Celebrities Real Estate Development Group Co., Ltd. (名流置業集團股份有限公司)), whose shares are listed on the Shenzhen Stock Exchange (stock code: 000667). From November 2004 to June 2008, Mr. Zhang Yanlin had worked at various times as the director and general manager of Nanjing Xinsu Property Co., Ltd.\* (南京新蘇置業有限公司), the director of the office of the board of directors at Wintime Investment Holding Co., Ltd.\* (永泰投資控股有限公司), and the director, deputy general manager and representative chairman of Xuzhou Wintime Real Estate Development Co.,



Ltd.\* (徐州永泰房地產開發有限公司). Since November 2015, he has been serving as the assistant of the chairman and general manager of the corporate management division of Wintime Holding.

### *Independent non-executive Directors*

**Mr. XU Dunkai**, aged 64, is currently the president of the Alumni Association of Zhongnan University of Economics and Law. He used to be the vice chairman of Higher Financial & Economic Education Branch of China Higher Education Association, and the legal representative of the Education Development Foundation of Zhongnan University of Economics and Law. He graduated from Hubei Institute of Finance and Economics in January 1982 with a bachelor's degree in philosophy. He graduated from Wuhan University in July 1985 with a master's degree in economics. He is the Author of "The History of Enterprise Management Thought in the Period of the Republic of China" (《民國時期企業經營管理思想史》). He organized the compilation of the dictionary of "Financial Dictionary (Second Edition)" (《財經大辭典》(第二版)). He has also led a national social science foundation research project.

**Ms. FENG Xin**, aged 34, has more than 10 years of experience in the field of financial services, investment and financial management, including experience in investment banking, private equity investment, and financial auditing. She holds a bachelor's degree in accounting from Xiamen University and Master of Business Administration from Ross School of Business at the University of Michigan. Ms. Feng Xin had previously worked as the senior auditor of Deloitte Huayong Certified Public Accountants (Shenzhen branch) and was the vice president in the investment banking department of China International Capital Corporation (中國國際金融股份有限公司). She had also held the role as the general manager of Guo Kai Jin Tai Capital Co. Ltd.\* (國開金泰資本投資有限責任公司). She is currently a managing director of iSoftStone Holdings Limited\* (軟通控股有限公司).

**Mr. HU Quansen**, aged 48, is a senior accountant and a certified public accountant in China. He received a bachelor's degree in economics from Zhongnan University of Economics in July 1990 and a master's degree in finance from Zhongnan University of Economics and Law in December 2005. He served as the manager of audit division of Wuhan International Trust & Investment Co., Ltd.\* (武漢國際信托投資公司) between May 2004 and October 2010. He also served as the general manager of the audit division of Founder Bea Trust Co., Ltd.\* (方正東亞信托有限責任公司) from October 2010 to March 2015, and has been serving as the general manager of the trust asset management division of the same company since March 2015.

In addition to the above nominees, the Offeror may nominate further Directors (including independent non-executive Directors) to the Board at such time as it considers appropriate to further enhance the management resources and expertise of the Board, upon further review by the Board and its nomination committee. Should there be any change to the Board, it will be made in compliance with the Takeovers Code and the Listing Rules. Further announcement(s) will be made upon any appointment of new Directors.





As at the Latest Practicable Date, none of the new Directors to be nominated by the Offeror holds any Shares.

## **5. COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares after the close of the Offer.

## **6. MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends for the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new Directors to be appointed to the Board of the Company have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after close of the Offer.

**The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.**

## **7. ACCEPTANCE AND SETTLEMENT**

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

## **8. GENERAL**

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately.

It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer. Attention of the Overseas Shareholders is drawn to the paragraph headed "Overseas Shareholders" above in this letter.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint holders, to such Independent Shareholder whose name appears first in the register of members of the Company. The Offeror, its beneficial owners and parties acting in concert with any of them, the Company, CCBI, the Registrar, the company secretary of the Company or any of their respective directors or



professional advisers or any other parties involved in the Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

## 9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which forms part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” to the Independent Board Committee, and other information about the Group which are set out in this Composite Document before deciding whether or not to accept the Offer.

Yours faithfully,

**For and on behalf of  
CCB International Capital Limited**

**Jialu Li**  
*Managing Director,  
Head of Corporate Advisory Team*