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## STRUCTURE AND CONDITIONS OF THE SHARE OFFER

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### THE STRUCTURE OF THE SHARE OFFER

The Share Offer consists of:

- the Placing; and
- the Public Offer.

Celestial Capital is the Lead Manager.

An aggregate of 10,000,000 new Shares have been initially allocated to the Public Offer for subscription, subject to re-allocation as mentioned below and under the Listing Rules. An aggregate of 70,000,000 new Shares and 20,000,000 Sales Shares are initially offered for subscription and for sale respectively under the Placing, subject to re-allocation as mentioned below and under the Listing Rules.

Investors are free to select to apply for the Public Offer Shares or the Placing Shares, but they may only receive Shares under the Public Offer **OR** the Placing but not both. Our Directors and the Lead Manager will take all reasonable steps to identify any multiple applications under the Public Offer and the Placing which are not allowed and are bound to be rejected.

### PRICE PAYABLE UPON APPLICATION FOR THE PUBLIC OFFER SHARES

Based on the Offer Price of HK\$0.80 per Offer Share, plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy, each board lot of 4,000 Shares will amount to a total of HK\$3,232.26 payable on application.

### CONDITIONS OF THE SHARE OFFER

Acceptance of applications for the Public Offer Shares will be conditional upon:

- the Listing Committee granting the listing of, and permission to deal in, on the Main Board, our Shares in issue, the Offer Shares and any Shares which may fall to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme; and
- the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of a waiver of any condition(s)) and not being terminated in accordance with the respective terms and conditions of the Underwriting Agreements),

in each case, on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

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The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

**If any of the above conditions has not been fulfilled or waived prior to the time(s) and date(s) specified, the Share Offer will lapse and the Stock Exchange will be notified immediately.** Notice of lapse of the Share Offer will be published by our Company in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company ([www.grandconcord.com](http://www.grandconcord.com)) on the next day following such lapse. In such event, all application money will be refunded, **WITHOUT INTEREST**. The terms on which the application money will be refunded are set forth under “Refund of application monies” on the Application Forms. In the meantime, all application money received from the Public Offer will be held in a separate bank account (or separate bank accounts).

### THE PUBLIC OFFER

Our Company is initially offering 10,000,000 new Shares under the Public Offer, at the Offer Price, representing 10% of the initial number of the Offer Shares, for subscription by way of a public offer in Hong Kong, subject to the re-allocation as mentioned below. The Public Offer is lead managed by the Lead Manager and is fully underwritten by the Public Offer Underwriters. Applicants for the Public Offer Shares are required to pay on application the Offer Price plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy.

The Public Offer is open to all members of the public in Hong Kong. An applicant for the Public Offer Shares will be required to give an undertaking and confirmation in the Application Form that he or she or it has not taken up and will not indicate an interest to take up any Placing Shares nor otherwise participated in the Placing. Applicants should note that if such undertaking and/or confirmation given by the applicant is breached and/or is untrue (as the case may be), such applicant’s application under the Public Offer is bound to be rejected. The Public Offer will be subject to the conditions stated under the paragraph headed “Conditions of the Share Offer” in this section.

If the Public Offer is not fully subscribed for, the Lead Manager (on behalf of the Public Offer Underwriters) has the authority to re-allocate all or any of the unsubscribed Public Offer Shares originally included in the Public Offer to the Placing, in such number as it deems appropriate to satisfy demand under the Placing.

The total number of the Public Offer Shares to be allotted and issued may change as a result of the re-allocation as mentioned below.

### Basis of allocation of the Public Offer Shares

The Public Offer Shares will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares. Any application made for more than 100% of Public Offer Shares initially available under the Public Offer is bound to be rejected.

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### THE PLACING

Our Company is initially offering 70,000,000 new Shares for subscription and the Selling Shareholder is offering 20,000,000 Sale Shares for sale, at the Offer Price under the Placing, representing 90% of the initial number of the Offer Shares, subject to re-allocation as mentioned below and under the Listing Rules.

Investors subscribing for the Placing Shares are also required to pay 1% brokerage, 0.005% Stock Exchange trading fee and 0.003% SFC transaction levy.

All decisions concerning the allocation of the Placing Shares to prospective placees pursuant to the Placing will be made on the basis of, and by reference to, a number of factors including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not the relevant investor is expected or likely to buy further Shares, or hold or sell our Shares, after the Listing Date. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base for the benefit of our Company. In addition, our Company and the Lead Manager will use their best endeavours to observe the minimum public float requirement under the Listing Rules when making allocations of the Placing Shares to investors who are anticipated to have a sizeable demand for such Shares.

The total number of the Placing Shares to be placed pursuant to the Placing may change as a result of re-allocation mentioned below and any re-allocation of the unsubscribed Public Offer Shares to the Placing as mentioned under the paragraph headed "The Public Offer" in this section above.

### RE-ALLOCATION BETWEEN THE PLACING AND THE PUBLIC OFFER

The allocation of Offer Shares between the Public Offer and the Placing is subject to adjustment on the following basis:

- (a) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the initial number of the Public Offer Shares, then 20,000,000 Placing Shares will be re-allocated to the Public Offer from the Placing so that the total number of Shares available under the Public Offer will increase to 30,000,000 Shares, representing 30% of the total number of the Offer Shares initially available under the Share Offer;
- (b) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the initial number of the Public Offer Shares, then 30,000,000 Placing Shares will be re-allocated to the Public Offer from the Placing so that the total number of Shares available under the Public Offer will increase to 40,000,000 Shares, representing 40% of total number of the Offer Shares initially available under the Share Offer; and

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- (c) if the number of Shares validly applied for under the Public Offer represents 100 times or more the initial number of the Public Offer Shares, then 40,000,000 Placing Shares will be re-allocated to the Public Offer from the Placing so that the total number of Shares available under the Public Offer will increase to 50,000,000 Shares, representing 50% of the total number of the Offer Shares initially available under the Share Offer.

In each such case, the additional Shares will be re-allocated to the Public Offer and the number of the Placing Shares will be correspondingly reduced.

If the Public Offer is not fully subscribed for, the Lead Manager has the authority to reallocate all, or any unsubscribed Public Offer Shares to the Placing, in such proportions as the Lead Manager deems appropriate.

Details of any re-allocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement of the Share Offer, which is expected to be published on Wednesday, 23 November 2011.

### **LISTING DATE**

Assuming that the Share Offer becomes unconditional, it is expected that dealings in our Shares on the Main Board will commence at 9:00 a.m. (Hong Kong time) on Thursday, 24 November 2011.