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金六福 投資有限公司*
JLF Investment Company Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 472)

Macro-Link International Land Limited

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

**(1) PROPOSED ACQUISITION OF SALE SHARES IN
JLF INVESTMENT COMPANY LIMITED**

BY

MACRO-LINK INTERNATIONAL LAND LIMITED;

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
V BARON GLOBAL FINANCIAL SERVICES LIMITED**

FOR AND ON BEHALF OF

MACRO-LINK INTERNATIONAL LAND LIMITED

FOR ALL THE ISSUED SHARES IN

JLF INVESTMENT COMPANY LIMITED

(OTHER THAN THOSE ALREADY OWNED OR

AGREED TO BE ACQUIRED BY

MACRO-LINK INTERNATIONAL LAND LIMITED

AND PARTIES ACTING IN CONCERT WITH IT);

(3) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;

AND

(4) RESUMPTION OF TRADING

Financial adviser to Macro-Link International Land Limited

V Baron Global Financial Services Limited



建泉環球金融服務有限公司

V Baron Global Financial Services Limited

1. THE S&P AGREEMENT

On 22 April 2015, the Vendor and the Purchaser entered into the S&P Agreement pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire 841,120,169 Sale Shares at a cash consideration of HK\$555,139,312 (equivalent to HK\$0.66 per Sale Share). The S&P Agreement is subject to various conditions set out below under the heading “Conditions precedent of the S&P Agreement”.

2. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Immediate before S&P Completion, the Purchaser and the parties acting in concert with it were interested in 215,988,337 Shares, representing approximately 12.94% of the total voting rights in general meeting of the Company. Immediately upon S&P Completion, the Purchaser and the parties acting in concert with it will be interested in 1,057,108,506 Shares, representing approximately 63.35% of the total voting rights in general meeting of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

V Baron will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$0.66 in cash

The Offer Price of HK\$0.66 per Offer Share is the same as the price per Sale Share paid by the Purchaser under the S&P Agreement.

The principal terms of the Offer are set out in the section headed “Possible unconditional mandatory cash offer” in this joint announcement.

On the basis of the Offer Price of HK\$0.66 per Offer Share and 1,668,532,146 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$1,101,231,216. Immediately after S&P Completion, the Offeror and parties acting in concert with it together own 1,057,108,506 Shares. Hence, 611,423,640 Offer Shares are subject to the Offer and are valued at HK\$403,539,602 on the basis of the Offer Price.

The financial resources of the Offeror to fund the Offer amounting to an aggregate of HK\$403,539,602 are financed by the internal resources of the Offeror. V Baron has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration under the S&P Agreement and full acceptance of the Offer.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the composite offer document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

3. PLACING OF NEW SHARES

On 22 April 2015 (as supplemented), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 600,000,000 Placing Shares at the Placing Price of HK\$0.66 per Placing Share. The Placing is subject to various conditions set out below under the heading “Conditions precedent to the Placing”. The Placing Shares represent: (i) approximately 35.96% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 26.45% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion save for the issue of the Placing Shares).

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to its acceptance. The Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company in a composite offer document. In accordance with Rule 8.2 of the Takeovers Code, the composite offer document containing, among other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offer by the Offeror is subject to the S&P Completion, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror will make an application to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to extend the despatch date of the composite offer document within 7 days from the S&P Completion.

The SGM will be convened for the purpose of considering and, if deemed appropriate, among other things, approving the Placing Agreement and the transactions contemplated thereunder.

A Circular containing, among other things, (i) further details of the Placing; and (ii) a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable.

Since the completion of the Placing is subject to the fulfilment of certain conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

4. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 April 2015 pending the release of this joint announcement. An 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 5 May 2015.

1. THE S&P AGREEMENT

On 22 April 2015, the Purchaser and the Vendor entered into the S&P Agreement in relation to the sale and purchase of the Sale Shares. The principal terms of the S&P Agreement are summarised below:

Date

22 April 2015

Parties

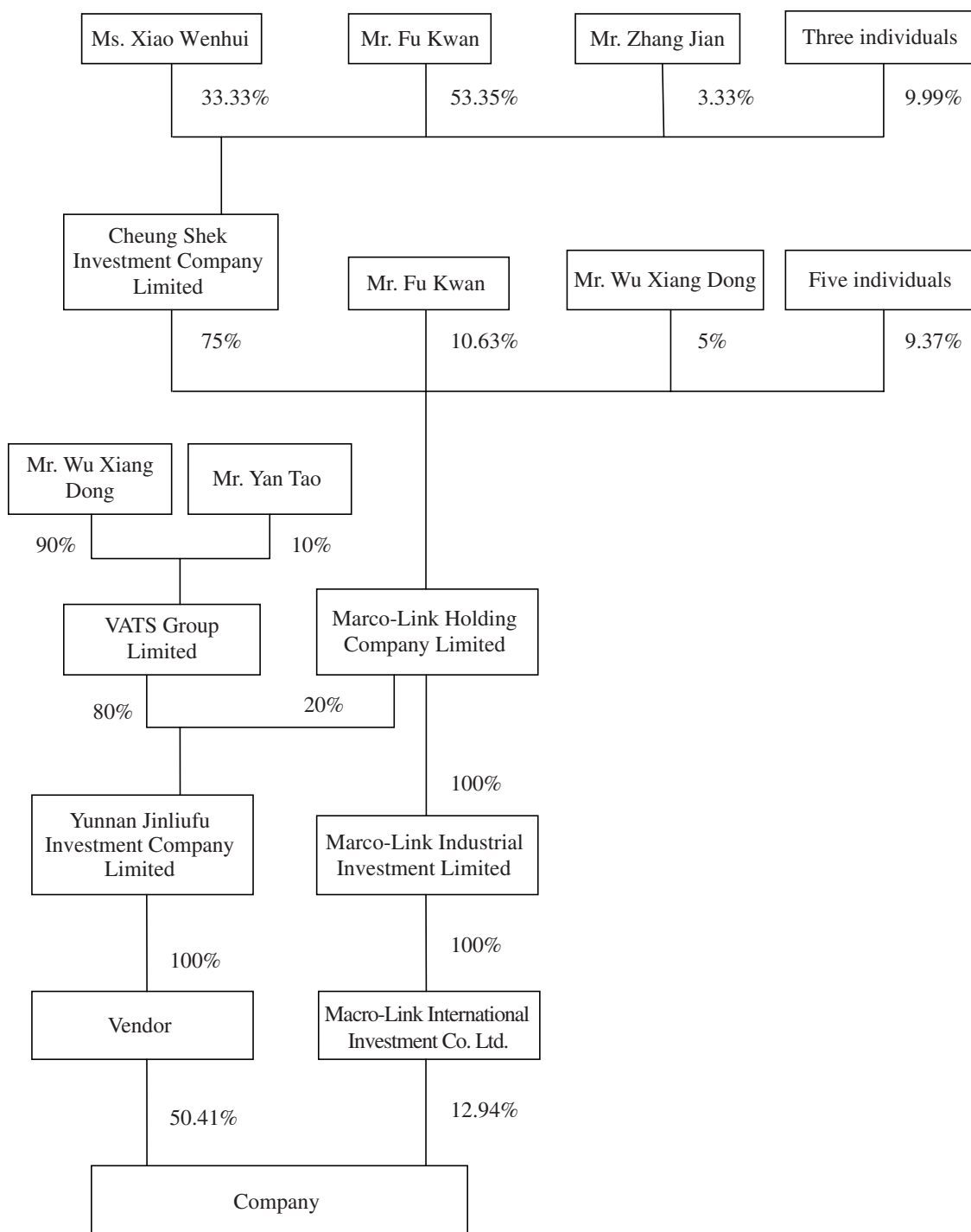
Purchaser : Macro-Link International Land Limited

Vendor : JLF Investment Company Limited

The Purchaser is: (i) a company incorporated in Hong Kong with limited liability; (ii) a wholly-owned subsidiary of Macrolink Real Estate Co., Ltd. (whose issued shares are listed on the Shenzhen Stock Exchange under stock code: 000620); and (iii) a fellow subsidiary of Macro-Link International Investment Co., Ltd. which is Substantial Shareholder interested in 215,988,337 Shares (or approximately 12.94% of the issued share capital of the Company) and thus a connected person to the Company as at the date of this joint announcement.

To the best information, knowledge and belief of the Directors, the Vendor is a company incorporated in the BVI with limited liability which is ultimately owned as to 80% by VATS Group Limited (a company owned as to 90% by Mr. Wu Xiang Dong and 10% by Mr. Yan Tao, both being executive Directors) and 20% by Macro-Link Holding Company Limited, and is a Substantial Shareholder interested in 841,120,169 Shares (or approximately 50.41% of the issued share capital of the Company) and thus a connected person to the Company as at the date of this joint announcement.

The shareholding structures of the Vendor and the parties acting in concert with the Purchaser (i.e. Macro-Link International Investment Co. Ltd.) in the Company as at the date of this joint announcement are as follows:



Subject of the S&P Agreement

Pursuant to the S&P Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire all (but not part of) 841,120,169 Sale Shares.

The Sale Shares shall be sold free from all Encumbrances together with all rights attaching thereto as at the date of S&P Completion including but not limited to all dividends paid, declared or made on or after the date of S&P Completion.

Consideration

The total consideration for the Sale Shares of HK\$555,139,312 (equivalent to HK\$0.66 per Sale Share) which has been agreed between the Purchaser and the Vendor after arm's length negotiations taking into account of the trading prices of the Share before its suspension on 2 April 2015. The consideration shall be payable by the Purchaser as to: (i) HK\$255,139,312 upon the S&P Completion; and (ii) HK\$300,000,000 within five business days after the close of the Offer.

Conditions precedent to the S&P Agreement

The S&P Completion is conditional upon the following:

- (a) (i) the listing of the Shares on the Stock Exchange not having been withdrawn and the Shares remaining trading on the Stock Exchange (other than trading halt in relation to this announcement) and (ii) there being no indication from the Stock Exchange or the SFC prior to or on the date of the S&P Completion raising any objection to the continuous listing of the Shares on the Stock Exchange due to any reason;
- (b) all warranties given by the Vendor in the S&P Agreement remaining true, accurate and not misleading in all material respect;
- (c) no objection having been raised by the SFC and/or other governmental or regulatory bodies to the transactions contemplated under the S&P Agreement prior to or on the date of the S&P Completion, and the Company having issued this announcement in relation to the transactions contemplated under the S&P Agreement pursuant to the Listing Rules and/or the Takeovers Code;
- (d) the Purchaser being satisfied with the results of the due diligence review on the Group; and
- (e) all necessary approval and consent (including but not limited to the necessary approval and consent by the board of directors of the Purchaser, the shareholders of the Purchaser (i.e. the shareholders' approval at general meeting of Macrolink Real Estate Co., Ltd.), any government authorities) being obtained and not revoked.

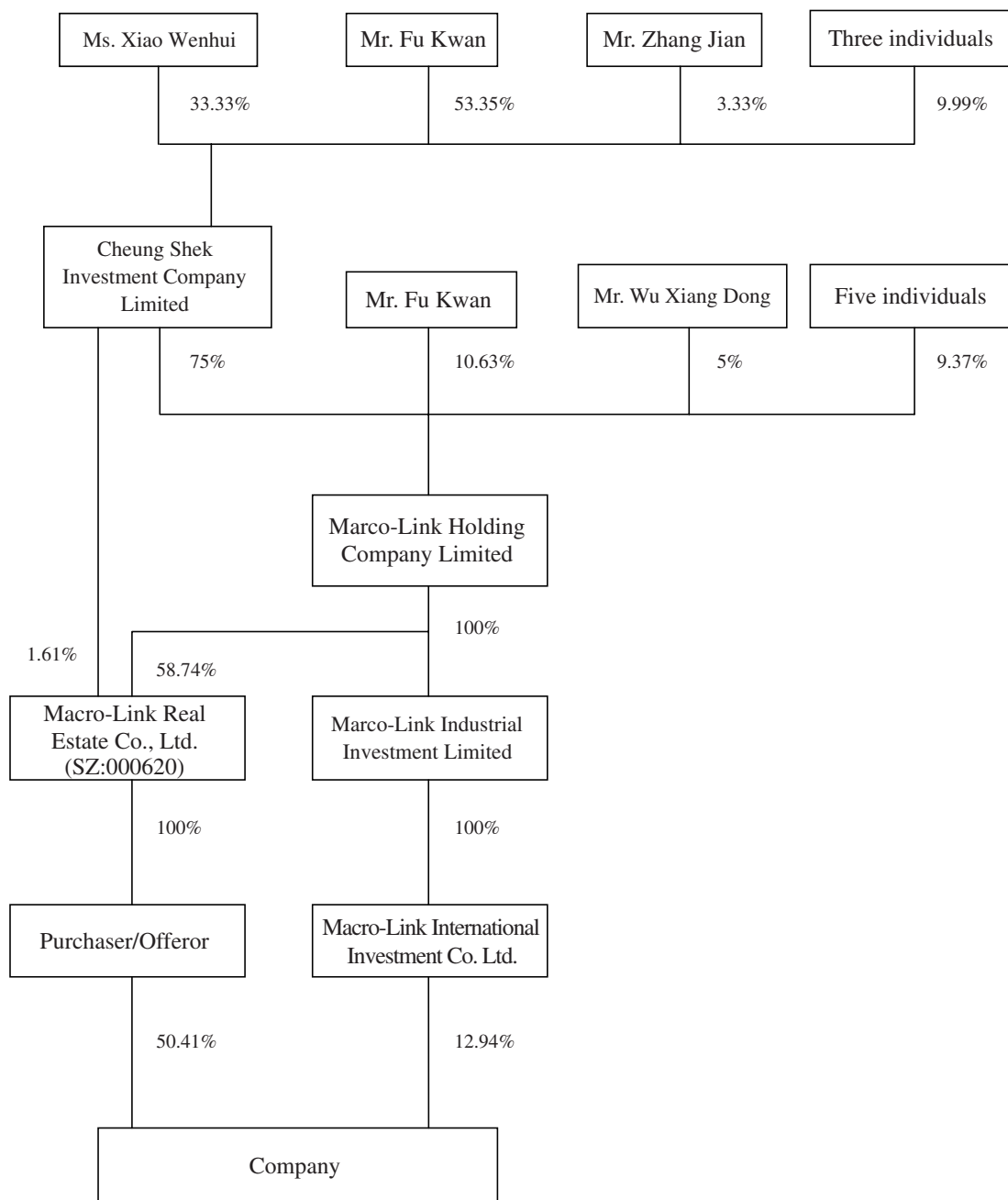
The S&P Agreement is not conditional upon the Placing Completion.

In the event that any of the above conditions has not be fulfilled on or before 30 September 2015 (or such other date as the parties to the S&P Agreement may agree), the S&P Agreement shall terminate forthwith, and neither party shall have any obligation under the S&P Agreement (save for any antecedent breach thereof).

S&P Completion

S&P Completion shall take place on the next business day following the fulfillment of the conditions precedent to the S&P Agreement.

The shareholding structures of the Purchaser (the Offeror) and the persons acting in concert with it in the Company immediately after the S&P Completion are as follows:



2. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Immediate before S&P Completion, the Purchaser and the parties acting in concert with it were interested in 215,988,337 Shares, representing approximately 12.94% of the total voting rights in general meeting of the Company. Immediately upon S&P Completion, the Purchaser and the parties acting in concert with it will be interested in 1,057,108,506 Shares, representing 63.35% of the total voting rights in general meeting of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror (the Purchaser) will therefore be required to make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, the Company has no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange, into Shares.

Principal terms of the Offer

Upon the S&P Completion, V Baron will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$0.66 in cash

The Offer Price of HK\$0.66 per Offer Share is the same as the price per Sale Share payable by the Purchaser under the S&P Agreement and the Placing Price.

Comparison of value

The Offer Price of HK\$0.66 represents:

- (i) a discount of 17.5% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.3% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of HK\$0.728 per Share;
- (iii) a discount of approximately 2.2% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of HK\$0.675 per Share; and
- (iv) a premium of approximately 138.7% over the audited consolidated net asset value of the Company of approximately HK\$0.2765 per Share as at 31 December 2014.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the period commencing six months preceding the commencement of the Offer period i.e. the date of this joint announcement were HK\$0.80 per Share (on 1 April 2015) and HK\$0.34 per Share (on 27 October 2014) respectively.

Value of the Offer

On the basis of the Offer Price of HK\$0.66 per Offer Share and 1,668,532,146 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$1,101,231,216. Immediately after S&P Completion, the Offeror and parties acting in concert with it own 1,057,108,506 Shares. Hence, 611,423,640 Offer Shares are subject to the Offer and are valued at HK\$403,539,602 on the basis of the Offer Price.

Financial resources available for the Offer

The financial resources of the Offeror to fund the Offer amounting to an aggregate of HK\$403,539,602 are financed by the internal resources of the Offeror.

V Baron has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration under the S&P Agreement and full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, Shareholders will sell their Offer Shares to the Offeror free from all Encumbrances and with all rights attached to them as at the date of S&P Completion including but not limited to the rights to receive all dividends and distribution declared, paid or made, if any, on or after the date of S&P Completion.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Shareholders at a rate of 0.1% of: (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance 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).

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven business days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid.

Overseas Shareholders

Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (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 of other taxes due by such accepting Shareholders in respect of such jurisdiction).

Dealings in the Company's securities

Save for the transactions under the S&P Agreement, none of the Offeror nor parties acting in concert with it has dealt in the Shares and any outstanding options, derivatives, warrants or other securities convertible into Shares during the period commencing six months preceding the commencement of the Offer period, i.e. the date of this joint announcement.

Other arrangements

The Offeror confirms that as at the date hereof,

- (i) save for the shareholding of the Offeror as disclosed under the paragraphs headed "Information of the Offeror" and "Changes to the shareholding structure of the Company as a result of the S&P Completion and the Placing Completion" in this joint announcement, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them own or have control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) there is no outstanding derivatives in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;

- (iii) there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror and which might be material to the Offer;
- (iv) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them have received any irrevocable commitment to accept the Offer; and
- (vi) none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Macrolink Real Estate Co., Ltd. (whose issued shares are listed on the Shenzhen Stock Exchange under stock code: 000620). Macrolink Real Estate Co., Ltd. is owned as to 58.74% by Macro-Link Holding Company Limited and as to 1.61% by Cheung Shek Investment Company Limited which are both holding companies of Macro-Link International Investment Co., Ltd., a Substantial Shareholder interested in 215,988,337 Shares (or approximately 12.94% of the issued share capital of the Company) as at the date of this joint announcement and thus a connected person to the Company. Macro-Link International Investment Co., Ltd. is a wholly-owned subsidiary of Macro-Link Industrial Investment Limited. Macro-Link Industrial Investment Limited is wholly owned by Macro-Link Holding Company Limited which in turn is owned as to 75% by Cheung Shek Investment Company Limited, as to 10.63% by Mr. Fu Kwan, as to 5% by Mr. Wu Xiang Dong (the Chairman of the Board and an executive Director) and as to the remaining 9.37% by five individuals. Cheung Shek Investment Company Limited is owned as to 53.35% by Mr. Fu Kwan, as to 33.33% by Ms. Xiao Wenhui, and as to 3.33% by each of the other four individuals (including Mr. Zhang Jian, an executive Director). Accordingly, Macro-Link International Investment Co., Ltd. is a fellow subsidiary of the Purchaser.

Given that there is deferred payment of the consideration by the Purchaser upon the S&P Completion, the Purchaser and the Vendor will be presumed to be acting in concert within the meaning of class 9 of the definition of “acting in concert” under the Takeovers Code. As the Vendor is ultimately owned as to 80% by VATS Group Limited (a company owned as to 90% by Mr. Wu Xiang Dong and 10% by Mr. Yan Tao) and 20% by Macro-Link Holding Company Limited, VATS Group Limited, the Vendor and the Offeror are also presumed to be acting in concert within the meaning of class 1 of the definition of “acting in concert” under the Takeovers Code.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability and, through its subsidiaries, is principally engaged in the manufacture, wholesale and distribution of winery products in the PRC.

The Group recorded audited loss attributable to owners of the Company of approximately HK\$81,975,000 and HK\$193,044,000 for the two financial years ended 31 December 2013 and 2014 respectively. The audited consolidated net asset value of the Company as at 31 December 2014 was approximately HK\$461,449,000.

OFFEROR'S INTENTION ON THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal businesses. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company immediately after the Offer. The Offeror will conduct a more detailed review on the operations of the Group with a view to formulating a comprehensive business strategy for the Group and subject to the result of the review, the Offeror may explore other business opportunities and consider whether any assets and/or business acquisitions by the Group will be appropriate in order to enhance its growth. The Offeror has no intention to discontinue the employment of the employees (save and except that there may be some changes to the composition of the Board) or to dispose of or deploy the assets of the Group other than those in its ordinary course of business by reason only of the Offer. As at the date of this joint announcement, the Offeror has no intention or concrete plans for any acquisition or disposal of assets and/or business by the Group.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued 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, then it will consider exercising its discretion to suspend trading in the Shares.

Despatch of the composite offer document

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company in a composite offer document. In accordance with Rule 8.2 of the Takeovers Code, the composite offer document containing, among other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Offer, together with the relevant forms of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this joint announcement. As the making of the Offer by the Offeror is subject to the S&P Completion, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror will make an application to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to extend the despatch date of the composite offer document within 7 days from the S&P Completion.

Dealings disclosure

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Offeror) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

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 of the Takeovers Code 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 of the Takeovers Code. 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 HK\$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.”

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the composite offer document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

3. PLACING OF NEW SHARES

On 22 April 2015 (as supplemented), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to a maximum of 600,000,000 Placing Shares at the Placing Price of HK\$0.66 per Placing Share. The Placing is subject to various conditions set out below. The principal terms of the Placing Agreement are summarised below:

The Placing Agreement

Date

22 April 2015 (as supplemented on 4 May 2015)

Parties

- (a) the Company (as issuer); and
- (b) V Baron (as placing agent).

The Placing Agent has conditionally agreed to place a maximum of 600,000,000 Placing Shares, on a best effort basis, to the Placees.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and (where a corporation) whose ultimate beneficial owners, shall be Independent Third Parties who shall also be independent of and not acting in concert with the Vendor, the Purchaser and their respective parties acting in concert with any of them.

It is expected that none of the Placees are parties acting in concert of the Purchaser nor will any of them become substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

As at the date of this joint announcement, the Board has been advised by the Placing Agent that the Placing has yet to commence and no Placee has been approached by the Placing Agent.

Placing Shares

The Placing Shares represent: (i) approximately 35.96% of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 26.45% of the issued share capital of the Company as enlarged by the issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion save for the issue of the Placing Shares).

The aggregate nominal value of the Placing Shares under the Placing will be HK\$6,000,000.

The Placing Shares are not subject to any lock-up or other disposal restriction under the terms of the Placing Agreement.

Conditions precedent to the Placing

Placing Completion is conditional upon fulfillment of the following conditions:

- (a) the passing by the Shareholders who are allowed to vote under the Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transaction contemplated thereunder;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Placing Shares;
- (c) the obtaining by all parties concerned of all necessary consents or approvals (if any) from the relevant authorities in respect of the entry and consummation of the Placing Agreement and the transactions contemplated thereunder; and
- (d) the close of the Offer.

The Placing Agreement is subject to the S&P Completion and the close of the Offer.

None of the above conditions precedent can be waived. In the event any of the above conditions precedent is not fulfilled by 30 September 2015 (or such later date as may be agreed by the parties thereto in writing), the Placing Agreement shall lapse and be of no further effect and the Company and Placing Agent shall be released from such obligations without any liability save for any antecedent breach of the Placing Agreement.

Placing Completion

The Placing Completion will take place on the third business day following the date on which all the conditions to the Placing are fulfilled, or such other date as the Company and the Placing Agent may agree.

Ranking of the Placing Shares

The Placing Shares, upon issue, will rank pari passu in all respects among themselves and with the Shares in issue on the date of the Placing Completion.

Placing Price

The Placing Price is HK\$0.66 per Placing Share, which represents:

- (i) a discount of 17.5% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 9.3% to the average closing price of HK\$0.728 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 2.2% to the average closing price of HK\$0.675 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the consideration of the Sale Shares.

Placing commission

The Placing Agent will receive a placing commission of 0.5% of the aggregate Placing Price for the Placing Shares placed by the Placing Agent.

The placing commission was determined after arm's length negotiation between the Company and the Placing Agent with reference to the market rate.

Use of proceeds from the Placing

The gross proceeds from the Placing are expected to be HK\$396 million. After deducting related placing commission, professional fees and all related expenses of about HK\$2.4 million which will be borne by the Company under the Placing, the net proceeds of the Placing will amount to approximately HK\$393.6 million, representing a net price of approximately HK\$0.656 per Placing Share. The net proceeds from the Placing will be applied to general working capital of the Group and for any assets and/or business acquisitions by the Group in future to enhance its growth.

Specific mandate

The Placing Shares will be allotted and issued under a specific mandate to allot, issue and deal with Shares by an ordinary resolution to be proposed for passing by the Shareholders at the SGM.

Application for listing of the Placing Shares

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Reasons for the Placing Agreement

The Directors are of the view that the Placing presents an opportunity for the Company to raise a substantial amount of funds from the equity market while broadening the shareholder and capital base of the Company. The Directors are further of the view that if the Company raises funds by way of pre-emptive fund raising alternative, i.e. rights issue: (i) the amount of funds raised is uncertain unless the rights issue is fully underwritten; (ii) it is difficult for the Company to identify independent institutional underwriter(s) for rights issue at more favourable terms than those under the Placing; (iii) the costs for underwriting, if an underwriter can be identified, are comparatively higher than that of the Placing as a result of (a) the higher costs involved with rights issue attributable to a higher rate of underwriting commission for rights issue payable to underwriter(s) as compared with the comparatively low underwriting commission fee charged by the Placing Agent for the Placing; and (b) an additional documentation preparation cost for rights issue prospectus and thus higher professional fees; (iv) the discount on the Shares to be issued under rights issue would be generally larger than that on the Placing Shares, considering that the magnitude of discount for the issue of the Placing Shares is low when compared with the current market price of the Shares.

Having regard to the potential benefits brought by the funds raised by the Placing, the Directors believe that, despite of the dilution effect brought by the Placing to the Shareholders, the Placing is in the interests of the Shareholders as a whole.

Fund raising activities of the Company in the past 12 months

Save for the Placing, the Company has not raised fund on any issue of equity securities in the past 12 months immediately before the date of this joint announcement.

CHANGES TO THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE S&P COMPLETION AND THE PLACING COMPLETION

As at the date of this announcement, the Company has 1,668,532,146 Shares in issue. The following table illustrates the shareholding structure of the Company: (i) as at the date of this announcement; (ii) immediately following the S&P Completion; and (iii) immediately following the S&P Completion and Placing Completion (assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion save for the issue of the Placing Shares):

	As at the date hereof		Immediately after S&P Completion		Immediately after S&P Completion and Placing Completion	
	Number of Shares	% of issued Shares (approximately)	Number of Shares	% of issued Shares (approximately)	Number of Shares	% of issued Shares (approximately)
The Vendor (<i>Note</i>)	841,120,169	50.41%	–	0%	–	0%
Offeror and parties acting in concert with it (excluding the Vendor)	215,988,337	12.94%	1,057,108,506	63.35%	1,057,108,506	46.60%
Mr. Ng Kwong Chue, Paul	3,000,000	0.18%	3,000,000	0.18%	3,000,000	0.13%
Mr. Shu Shi Ping	2,980,000	0.18%	2,980,000	0.18%	2,980,000	0.13%
Placees	–	0%	–	0%	600,000,000	26.45%
Public Shareholders	605,443,640	36.29%	605,443,640	36.29%	605,443,640	26.69%
Total:	1,668,532,146	100%	1,668,532,146	100%	2,268,532,146	100%

Note: The Vendor is wholly-owned by Yunnan Jinliufu Investment Company Limited which is owned as to 80% by VATS Group Limited (a company owned as to 90% by Mr. Wu Xiang Dong and 10% by Mr. Yan Tao) and 20% by Macro-Link Holding Company Limited. Mr. Wu Xiang Dong also owns 5% equity interests in Macro-Link Holding Company Limited and Mr. Fu Kwan (i.e. the ultimate controlling shareholder of the Offeror) is the brother-in-law of Mr. Wu Xiang Dong.

As disclosed in the paragraph headed “Information of the Offeror” above, the Vendor and the Offeror are presumed to be acting in concert. As at the date of this joint announcement, the Offeror and the parties acting in concert with it including the Vendor hold 63.35% of the issued share capital of the Company and will hold 46.60% of the issued share capital of the Company immediately upon the Placing Completion. If the Vendor’s shareholding in the Company is excluded, the Offeror and the parties acting in concert with it hold 12.94% of the issued share capital of the Company as at the date of this joint announcement and will hold 46.60% of the issued share capital of the Company immediately upon the Placing Completion.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the Offer is, or is not, fair and reasonable and as to its acceptance. The Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in this regard.

The SGM will be convened for the purpose of considering and, if deemed appropriate, among other things, approving the Placing Agreement and the transactions contemplated thereunder.

A Circular containing, among other things, (i) further details of the Placing; and (ii) a notice convening the SGM, will be dispatched to the Shareholders as soon as practicable.

Since the completion of the Placing is subject to the fulfilment of certain conditions, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

4. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 April 2015 pending the release of this joint announcement. An 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 5 May 2015.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associates”	has the meaning ascribed thereto in the Listing Rules (unless otherwise stated in this announcement)
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Circular”	a circular to be issued and published by the Company together with the notice of the SGM in relation to the Placing Agreement
“Company”	JLF Investment Company Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company

“Encumbrances”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the executive director
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. E Meng and Mr. Cao Kuangyu, established to give recommendation to the Independent Shareholders regarding the terms of the Offer and as to its acceptance
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to its acceptance
“Independent Shareholders”	Shareholders other than the Vendor, the Offeror and parties acting in concert with it
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	1 April 2015, being the last trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange at 9:00 a.m. on 2 April 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer”	the possible unconditional mandatory cash offer to be made by V Baron for and on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code as a result of the S&P Completion
“Offer Price”	the price at which the Offer will be made, being HK\$0.66 per Offer Share

“Offer Share(s)”	issued Share(s) other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror” or “Purchaser”	Macro-Link International Land Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Macrolink Real Estate Co., Ltd. (whose issued shares are listed on the Shenzhen Stock Exchange under stock code: 000620)
“Placee(s)”	any person(s) or entity(ies) whom the Placing Agent and/or any of its agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 600,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent” or “V Baron”	V Baron Global Financial Services Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities within the meaning of the SFO and the financial adviser to the Offeror
“Placing Agreement”	a conditional placing agreement dated 22 April 2015 (as supplemented on 4 May 2015) entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Placing Price”	HK\$0.66 per Placing Share
“Placing Shares”	up to a maximum of 600,000,000 new Shares to be placed under the Placing Agreement
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“S&P Agreement”	the conditional sale and purchase agreement dated 22 April 2015 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares
“S&P Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the S&P Agreement
“Sale Shares”	841,120,169 Shares beneficially owned by the Vendor immediately prior to S&P Completion
“SGM”	the special general meeting of the Company to be convened to approve: among other matters, the Placing Agreement and transactions contemplated thereunder

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholders”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Vendor”	JLF Investment Company Limited, a company incorporated in the BVI with limited liability and interested in 841,120,169 Shares or approximately 50.41% of the total issued Shares immediately before the S&P Completion
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the board of directors of
Macro-Link International Land Company Limited
Fu Kwan
Director

By Order of the Board
JLF Investment Company Limited
Ng Kwong Chue, Paul
Executive Director

Hong Kong, 4 May 2015

As at the date of this joint announcement, the directors of the Offeror are Mr. Fu Kwan, Mr. Su Bo, Mr. Li Jiangan, Mr. Liu Huaming and Ms. Liu Jing.

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Wu Xiang Dong, Mr. Yan Tao, Mr. Shu Shi Ping, Mr. Sun Jian Xin, Mr. Zhang Jian and Mr. Ng Kwong Chue, Paul; and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. E Meng and Mr. Cao Kuangyu.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

All the directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any such statement contained in this joint announcement misleading.