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**Join-Share 中盈盛达**

共创 共享 共成长

**Guangdong Join-Share Financing Guarantee Investment Co., Ltd.\***

**廣東中盈盛達融資擔保投資股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1543)**

## **INSIDE INFORMATION**

### **(1) POTENTIAL DISPOSAL OF EQUITY INTEREST IN GUANGDONG YAODA FINANCIAL LEASING COMPANY LIMITED\*; AND (2) CHANGE IN USE OF PROCEEDS**

This announcement is made by Guangdong Join-Share Financing Guarantee Investment Co., Ltd.\* (廣東中盈盛達融資擔保投資股份有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **(1) POTENTIAL DISPOSAL**

The board of directors of the Company (the “**Board**”) wishes to announce that the Group is currently in negotiations with prospective purchasers in respect of the disposal of its entire equity interest in Guangdong Yaoda Financial Leasing Company Limited\* (廣東耀達融資租賃有限公司) (“**Guangdong Yaoda**”), a company incorporated in the People's Republic of China (the “**PRC**”) (the “**Potential Disposal**”). As at the date of this announcement, Guangdong Yaoda is a 24.71% owned subsidiary of Foshan Financial Investment Holding Co., Ltd.\* (佛山市金融投資控股有限公司) (“**Foshan Financial**”), a company incorporated in the PRC with limited liability, who is a substantial shareholder and connected person of the Company, and is indirectly owned as to 17.65% by Foshan Public Utilities Holdings Co., Ltd.\* (佛山市公用事業控股有限公司) (“**Foshan Public**”), a limited liability company incorporated in the PRC. Guangdong Yaoda is also owned as to 14.41%

and 7.35% by the Company and Join-Share Financial Holdings Co., Limited (中盈盛達金融控股有限公司), a direct wholly-owned subsidiary of the Company, respectively.

Foshan Financial is a substantial shareholder of the Company and hence a connected person of the Company. Guangdong Yaoda is a subsidiary of Foshan Financial and Foshan Public is the holding company of Foshan Financial. Pursuant to Rule 14A.13 of the Listing Rules, Guangdong Yaoda and Foshan Public are both associates of Foshan Financial, and hence are also connected persons of the Company.

Guangdong Yaoda is principally engaged in the business of finance lease and other leasing business.

The Board considers that finance leasing industry in the PRC has a promising development potential and intends to expand the Group's business in such industry going forward.

At the time of the Company's capital injection into Guangdong Yaoda in June 2019, it was the Board's intention to obtain the controlling stake (i.e. over 50% of the total equity interest in Guangdong Yaoda) by a series of capital injections, which would ultimately result in Guangdong Yaoda becoming a subsidiary of the Group by the end of 2020. This would also help the Group to expand into the finance leasing industry in the PRC. However, in May 2020, the Company was informed by Guangdong Yaoda that (i) its state-owned shareholding shall not be less than 50% in order to meet its own business financing needs; and (ii) the board of directors of Guangdong Yaoda has changed its business focus and resolved to pursue new business development strategies, of which the Board considers they would not be compatible with the Company's current business strategies.

Given that (i) Guangdong Yaoda would not be able to become a subsidiary of the Group; and (ii) inconsistencies of business development strategies between the Company and Guangdong Yaoda, the Board, after due and careful consideration, is of the view that it would not be commercially viable for the Group to further invest in Guangdong Yaoda and thus the Company intends to withdraw its investment from Guangdong Yaoda. Upon completion of the Potential Disposal, the Group will not hold any equity interest in Guangdong Yaoda.

In order to facilitate the Company's business expansion to tap into the finance leasing industry in the PRC, the Board intends to use the proceeds from the Potential Disposal to establish a new finance leasing company which will be a subsidiary of the Group.

As at the date of this announcement, the Company has not entered into any definitive agreement in relation to the Potential Disposal and is still in negotiations with prospective purchasers. The Potential Disposal, if entered into, will constitute a

connected transaction for the Company under Chapter 14A of the Listing Rules. The Board will make further announcement(s) as and when necessary in compliance with the Listing Rules and applicable laws.

## (2) CHANGE IN USE OF PROCEEDS

References are made to (a) the announcements of the Company dated 15 May 2017, 25 May 2017, 29 June 2017, 18 July 2017, 26 July 2017, 28 September 2017, 29 December 2017, 27 March 2018, 28 March 2018, 29 March 2018 and 18 April 2018, respectively; (b) the circular of the Company dated 30 September 2017; (c) the circular of the Company dated 9 May 2019; (d) the announcement of the Company dated 8 October 2019; (e) the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) and (f) paragraph headed “Report of the Board of Directors — Proceeds from the Listing, proceeds from issue of investors subscription shares and placement of new H shares — (II) Proceeds from investor subscription shares and placing of new H shares” in the 2019 Annual Report in relation to, among other things, the Investor Subscription and the Placing.

Capitalised terms used in this announcement shall have the same meanings as defined in the 2019 Annual Report, unless the context requires otherwise.

The Board has resolved to change the intended use of the Proceeds from the Investor Subscription and the Placing to fund the development of other financial-related services business and/or potential investment in company(ies) principally engaged in financing guarantee business. Breakdown of the allocation of the Proceeds as stated in the 2019 Annual Report, the change in the use of the remaining balance and reasons for change are summarised below:

Fund raising activities	Net proceeds raised (approximately)	Intended use of Proceeds as stated in the 2019 Annual Report	The actual use of proceeds as at 31 December 2019	The amount of remaining net proceeds as at 31 December 2019 for the intended use	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (Note)
1. Issue of the Investor Subscription Shares (comprising 74,364,000 H Shares and 223,096,020 Domestic Shares) under Specific Mandate	RMB375.45 million (equivalent to approximately HK\$424.21 million at the exchange rate of HK\$1: RMB0.88507).	(i) Approximately 60% (i.e. approximately RMB225.27 million (equivalent to approximately HK\$254.52 million) of the proceeds) will be used for pursuing acquisition and merger opportunities when suitable target becomes available, in order to expand the Group's service mix and further consolidate the market position of the Group in Guangdong Province or Pearl River Delta region. The remaining proceeds will be used for the capital injection into Guangdong Yaoda.	(i) RMB45.00 million and RMB90.00 million have been used for the capital contribution of establishment of Shenzhen Join-Share Commercial Factoring Co., Ltd.* (深圳中盈盛達商業保理有限公司) and capital contribution of establishment of Shenzhen Join-Share Engineering Guarantee Co., Ltd.* (深圳市中盈盛達工程擔保有限公司), which was held as to 90% by the Company.	(i) Approximately RMB90.27 million (equivalent to approximately HK\$101.99 million)	(a) Approximately RMB50.00 million (equivalent to approximately HK\$56.49 million) will be used for establishing a new micro-finance company in Zhongshan, PRC.  As the Board considers that Zhongshan City is an economically active area in the Pearl River Delta and has a strong local demand for micro-financing loans, in view of optimising the Group's business segment and increase revenue in Zhongshan, it was decided to set up a new micro-finance company in Zhongshan.	(a) 30 November 2020

Fund raising activities	Net proceeds raised (approximately)	Intended use of Proceeds as stated in the 2019 Annual Report	The actual use of proceeds as at 31 December 2019	The amount of remaining net proceeds as at 31 December 2019 for the intended use	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (Note)
					<p>(b) Approximately RMB40.27 million (equivalent to approximately HK\$45.50 million) will be used for capital injection into Zhongshan Join-Share Technology Financing Guarantee Investment Co., Ltd.* (中山中盈盛達科技融資擔保投資有限公司) (“Zhongshan Join-Share”), which the Company held approximately 52% of its equity as at the date of this announcement.</p> <p>As the Board considers that Zhongshan Join-Share has good development prospectus, in order to better utilise the Proceeds, such portion of the Proceeds will be used for capital injection into Zhongshan Join-Share that comply with the relevant regulations and policies.</p>	(b) 31 December 2020
		(ii) Approximately 40% (i.e. approximately RMB150.18 million (equivalent to approximately HK\$169.68 million) of the proceeds) will be used for capital injection into Guangdong Yaoda and/or development of other financial-related services business that comply with the relevant regulations and policies.	(ii) RMB112.57 million (equivalent to approximately HK\$132.84 million) has been used for capital injection into Guangdong Yaoda, which was held as to 21.76% by the Company afterward.	(ii) Approximately RMB37.61 million (equivalent to approximately HK\$36.84 million)	As the Board intends to dispose Guangdong Yaoda as disclosed in paragraph (1) “POTENTIAL DISPOSAL” in this announcement, such portion of the Proceeds will no longer be used for capital injection into Guangdong Yaoda, instead it will be used to establish a new finance leasing company which will be a subsidiary of the Group.	31 December 2021

Fund raising activities	Net proceeds raised (approximately)	Intended use of Proceeds as stated in the 2019 Annual Report	The actual use of proceeds as at 31 December 2019	The amount of remaining net proceeds as at 31 December 2019 for the intended use	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (Note)
2. Placing of 186,666,000 H Shares under Specific Mandate	Approximately HK\$262.4 million	(i) Approximately 55% (i.e. approximately HK\$144.32 million of the proceeds) will be used for funding potential investment (through capital contribution or acquisition of existing equity interest) in company(ies) principally engaged in financing guarantee business.	Nil	(i) Approximately 55% (equivalent to approximately HK\$144.32 million)	<p>(a) Approximately RMB60.00 million (equivalent to approximately HK\$67.79 million) will be used for capital injection into Guangdong Join-Share Capital Investment Co., Ltd.* (廣東中盈盛達資本管理有限公司) (“Guangdong Capital Investment”), which is a direct wholly-owned subsidiary of the Company as at the date of this announcement. The Board considers that enterprises in the industries such as bio-pharmaceuticals, medical care and online education, have shown great development opportunities under the COVID-19 pandemic, and intends to invest in enterprises in those industries through Guangdong Capital Investment, a company which comprises experienced and high calibre management team to oversee the investments. As the current capital of Guangdong Capital Investment would not be able to meet the upcoming development needs, in order to better utilise the Proceeds, such portion of the Proceeds will be used for capital injection into Guangdong Capital Investment.</p> <p>(b) Approximately RMB50.00 million (equivalent to approximately HK\$56.49 million) will be used to establish a new asset management company. As the Board considers that there is a business opportunity to provide integrated and comprehensive financial services to the high-quality small, medium and micro enterprises in the PRC (whose valuation may be affected due to the COVID-19 pandemic), which in return will increase the Company’s income, such portion of the Proceeds will be used to establish a new asset management company.</p> <p>(c) Approximately RMB17.73 million (equivalent to approximately HK\$20.04 million) will be used for general working capital and general corporate purposes of the Group.</p>	<p>31 August 2020</p> <p>31 December 2020</p> <p>31 December 2020</p>

Fund raising activities	Net proceeds raised (approximately)	Intended use of Proceeds as stated in the 2019 Annual Report	The actual use of proceeds as at 31 December 2019	The amount of remaining net proceeds as at 31 December 2019 for the intended use	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (Note)
		(ii) Approximately 35% (i.e. approximately HK\$91.84 million of the proceeds) will be used for funding the geographical expansion of the Group's financing guarantee business to Guangzhou city of Guangdong Province, which is planned to be achieved through establishing a new subsidiary or (if desirable) acquiring an equity interest in an entity which is providing financing guarantee services in that district.	Nil	Approximately 35% (i.e. approximately HK\$91.84 million of the proceeds)	No change	30 November 2020

*Note:* The expected time frame for fully applying the unutilised proceeds is based on the best estimation of the future market conditions and strategic development made by the Group, which may be subject to changes and adjustments based on the future development of market conditions.

### **Reasons for and Benefits of the Change in Use of Proceeds**

Taking into account of the current business focus and strategies of the Company above, the Board considers that the change in use of the Proceeds will allow the Company to deploy its financial resources more effectively and maximise the return to the Shareholders. The Board considers that such change will enhance future business opportunities, which will be more in line with the current business needs of the Company and are beneficial to the continued and rapid development of the Group.

The Board confirms that there is no material change in the business nature of the Group as set out in the 2019 Annual Report and considers the above change in use of proceeds is therefore in the best interests of the Group and the Shareholders as a whole.

For the purpose of this announcement and for illustrative purpose only, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1: HK\$0.88507, unless otherwise stated.

**No assurance is given that any formal agreement will be entered into, but the Company will provide relevant updates concerning this matter from time to time when appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company.**

By order of the Board  
**Guangdong Join-Share Financing Guarantee Investment Co., Ltd.\***  
**Wu Liejin**  
*Chairman*

Foshan, the PRC, 8 May 2020

*As of the date of this announcement, the executive director of the Company is Mr. Wu Liejin (Chairman); the non-executive directors of the Company are Mr. Zhang Minming, Ms. Gu Lidan, Mr. Luo Zhenqing, Mr. Huang Guoshen and Mr. Zhang Deben; and the independent non-executive directors of the Company are Mr. Wu Xiangneng, Mr. Leung Hon Man and Mr. Liu Heng.*

\* *For identification purpose only*