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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)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE DISPOSAL OF EQUITY INTERESTS
IN GUANGDONG YAODA; AND
(2) CLARIFICATION ON THE ANNOUNCEMENT**

**Independent Financial Adviser to the Independent
Board Committee and the Independent Shareholders**



Gram Capital Limited

嘉林資本有限公司

Reference is made to the announcements of the Company dated 8 May 2020 and 31 July 2020 in relation to the potential disposal of equity interests in Guangdong Yaoda held by the Group.

As disclosed in the Announcement, the Company and Join-Share Financial commenced to dispose their equity interests in Guangdong Yaoda through separate Public Tender processes (each with the same tender price per share) on SUAEE on 4 August 2020.

The Board is pleased to announce that on 7 September 2020, the information publication period of Public Tender for the Disposal has expired, and the Company and Join-Share Financial had identified their respective final transferee for the disposal of the Company's Interest and JSF's Interest, respectively. The consideration of the disposal of the Company's Interest and the JSF's Interest were RMB75,761,344.71 and RMB38,654,441.18, respectively, which matched with the preliminary minimum tender price for the Company's Interest and JSF's Interest, being RMB75,761,344.71 and RMB38,654,441.18, respectively.

The Company and Join-Share Financial will enter into equity transfer agreements with their respective final transferee, namely a consortium consists of Foshan Financial, Foshan Qiyun and Guangdong Wei Ji (the “**FS Consortium**”) and Fojin HK, for the disposal of the Company’s Interest and JSF’s Interest, respectively. After the completion of the Disposal, the Company and Join-Share Financial will cease to have any equity interest in Guangdong Yaoda.

CLARIFICATION ON THE ANNOUNCEMENT

Reference is made to the table on page 7 of the Announcement, which stated that the unit of currency of the audited financial information of Guangdong Yaoda Group for the two years ended 31 December 2019 is in “*RMB’000*”.

The Company wishes to clarify that the quoted unit of currency above contains an inadvertent clerical error and should instead read as “*RMB*”.

Save for the clarification made above, all the other information contained in the Announcement is correct and remains unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Foshan Financial is approximately 70.61% owned by Foshan Public and it is a substantial shareholder of the Company. Fojin HK is a substantial shareholder of the Company and a directly wholly-owned subsidiary of Foshan Financial. Hence, Foshan Financial, Foshan Public and Fojin HK are connected persons of the Company. Guangdong Yaoda is an associate of Foshan Financial and hence also a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

As at the date of this announcement, Guangdong Yaoda is a 24.71% owned subsidiary of Foshan Financial, who is a substantial shareholder and connected person of the Company, and is indirectly owned as to 17.65% by Foshan Public via Fuguan, a limited liability company incorporated in Hong Kong (which is an indirectly wholly-owned subsidiary of Foshan Public).

Therefore, each of the equity transfer agreements to be entered into between (i) the Company and FS Consortium, and (ii) Join-Share Financial and Fojin HK, in relation to the disposal of the Company's Interest and JSF's Interest, respectively (collectively, the "**Equity Transfer Agreements**"), constitute connected transactions of the Group under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements. The Company will convene the EGM to approve, among others, the Disposal and the Equity Transfer Agreements. Execution of the Equity Transfer Agreements with the respective final transferee will be taken place upon the Company and/or Join-Share Financial having obtained the Shareholders' approval at the EGM pursuant to the articles of association of the Company, the relevant PRC laws and regulations and the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the Disposal exceeds 5% but less than 25%, the Disposal contemplated under each of the Equity Transfer Agreements constitute discloseable transactions of the Company and therefore, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company will convene the EGM in accordance with the Listing Rules in a timely manner to consider and, if thought fit, approve the Disposal and the Equity Transfer Agreements. Execution of the Equity Transfer Agreements with the respective final transferee will be taken place upon the Company and/or Join-Share Financial having obtained the Shareholders' approval at the EGM. Foshan Financial and its associates shall abstain from voting at the resolution(s) considering and approving the Disposal contemplated under the Equity Transfer Agreements at the EGM.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further details of the Equity Transfer Agreements and the transactions contemplated thereunder and other information; and (ii) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 28 September 2020.

INTRODUCTION

Reference is made to the announcements of the Company dated 8 May 2020 and 31 July 2020 in relation to the potential disposal of equity interests in Guangdong Yaoda held by the Group. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the announcement of the Company dated 31 July 2020 (the "**Announcement**").

As disclosed in the Announcement, the Company and Join-Share Financial commenced to dispose their equity interests in Guangdong Yaoda through separate Public Tender processes (each with the same tender price per share) on SUAEE on 4 August 2020.

The Board is pleased to announce that on 7 September 2020, the information publication period of Public Tender for the Disposal has completed and the Company and Join-Share Financial had identified their respective final transferee for the disposal of the Company's Interest and JSF's Interest, respectively. The consideration of the disposal of the Company's Interest and the JSF's Interest were RMB75,761,344.71 and RMB38,654,441.18, respectively, which matched with the preliminary minimum tender price for the Company's Interest and JSF's Interest, being RMB75,761,344.71 and RMB38,654,441.18, respectively.

As disclosed in the Announcement, the Board resolved the preliminary minimum tender price of the Company's Interest and the JSF's Interest after considering the preliminary appraised value for Guangdong Yaoda Equity Interest, being approximately RMB114,415,785.89, which were determined based on (i) the preliminary appraised value of Guangdong Yaoda as at 31 March 2020 as appraised by the Valuer in the Valuation Report; (ii) the audited financial statements of Guangdong Yaoda Group for the year ended 31 December 2019 prepared by Jonten Certified Public Accountants LLP (中天運會計師事務所(特殊普通合夥)); and (iii) the special audited financial report on asset verification (清產核資專項審計報告) of Guangdong Yaoda Group as at 31 March 2020 by Jonten Certified Public Accountants LLP (Guangdong Branch) (中天運會計師事務所(特殊普通合夥)(廣東分所)).

As disclosed in the Announcement, Foshan Financial did not waive its pre-emptive right in relation to the disposal of JSF's Interest. As Foshan Financial had indicated that it chose not to exercise its pre-emptive right after being informed that Fojin HK was the only bidder for JSF's Interest, thus, Fojin HK became the final transferee of the JSF's Interest.

The Company and Join-Share Financial will enter into equity transfer agreements with their respective final transferee, namely FS Consortium and Fojin HK, for the disposal of the Company's Interest and JSF's Interest, respectively.

THE EQUITY TRANSFER AGREEMENTS

(1) Equity transfer agreement of the Company's Interest

The principal terms of the equity transfer agreement of the Company's Interest are summarised as below:

Parties	:	the Company (as the transferor) Foshan Financial, Foshan Qiyun and Guangdong Weiji (as the transferees)
Equity Disposal	:	the equity to be disposed is the 14.41% of equity interests in Guangdong Yaoda hold by the Company
Consideration	:	RMB75,761,344.71

Proportion of the Company's Interest and the consideration among the consortium	:	Name of the transferee	Equity interest in the Company's Interest to be purchased	Corresponding to Guangdong Yaoda's registered capital (RMB)	Consideration (RMB)	The remaining consideration payable after deducting the guarantee (RMB)
		Foshan Financial	4.95%	21,050,000	26,037,164.18	23,432,119.28
		Foshan Qiyun	3.24%	13,750,000	17,007,648.81	15,306,016.16
		Guangdong Weiji	<u>6.22%</u>	<u>26,450,000</u>	<u>32,716,531.72</u>	<u>29,443,209.27</u>
		Total	<u><u>14.41%</u></u>	<u><u>61,250,000</u></u>	<u><u>75,761,344.71</u></u>	<u><u>68,181,344.71</u></u>

Payment terms : FS Consortium shall make the one-off payment of the consideration in cash, deducting the equivalent amount of guarantee already paid by it, to the clearing account designated by SUAEE within five business days after the equity transaction agreement comes into effect.

SUAEE will transfer the consideration (together with the guarantee that the transferees had already paid) to the designated bank account of the Company within three business days from the next day upon receiving the payment of the consideration and service fee from FS Consortium

Effectivity : the agreement is effective upon the date of which it has been signed by the legal representative or authorised representative of each party with the company seal affixed

Completion : The transferee shall complete the procedures for the industrial and commercial change registration and complete the transfer of property rights within 15 working days from the date when the transferee received the relevant information on the industrial and commercial change registration from the transferor.

(2) Equity transfer agreement of the JSF's Interest

The principal terms of the equity transfer agreement of the JSF's Interest are summarised as below:

- Parties** : Join-Share Financial (as the transferor)
Fojin HK (as the transferee)
- Equity Disposal** : the equity to be disposed is the 7.35% of equity interests in Guangdong Yaoda hold by Join-Share Financial
- Consideration** : RMB38,654,441.18
- Payment terms** : Fojin HK shall make the one-off payment of the consideration (paid by Hong Kong dollar converted based on the exchange rate of Renminbi to Hong Kong dollar on the payment date) in cash to the designated bank account of transferor within five business days after the equity transaction agreement comes into effect.

The transferor shall notify SUAEE within three working days from the date of receipt of the consideration, and SUAEE shall return the deposit to transferee without any interest within five business days upon receiving the transferor's written notice, the transferee's payment voucher and collecting transaction service fees in full from both parties of transactions.

- Effectivity** : the agreement is effective upon the date of which it has been signed by the legal representative or authorised representative of each party with the company seal affixed
- Completion** : The transferee shall complete the procedures for the industrial and commercial change registration and complete the transfer of property rights within 15 working days from the date when the transferee received the relevant information on the industrial and commercial change registration from the transferor.

Execution of the Equity Transfer Agreements with the respective final transferee will be taken place upon the Company and/or Join-Share Financial having obtained the Shareholders' approval at the EGM pursuant to the articles of association of the Company, the relevant PRC laws and regulations and the Listing Rules.

After the completion of the Disposal, the Company and Join-Share Financial will cease to have any equity interest in Guangdong Yaoda. On the other hand, Guangdong Yaoda will be able to replenish state-owned capital after the completion of the Disposal in order to meet its own business financing needs.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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.

On the other hand, the historical cost of the Group's investment in Guangdong Yaoda Equity Interest was RMB112,572,500. Based on the Valuation Report, the Group is expected to record a gain of approximately RMB9,248,400 (including dividends) (before tax payments) from the Disposal, which is estimated based on the final tender price with the deduction of the investment costs paid by the Group in connection with the Guangdong Yaoda Equity Interest. As such, the Directors are of the view that the net profit from the Disposal is not less than RMB9,248,400 (including dividends) (before tax payments).

Given that (i) Guangdong Yaoda would not be able to become a subsidiary of the Group; (ii) inconsistencies of business development strategies between the Company and Guangdong Yaoda; and (iii) the Group is expected to record a gain from the Disposal, 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 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 Disposal to establish a new finance leasing company which will be a subsidiary of the Group.

The Directors are of the view that the Disposal will be carried out upon normal commercial terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF GUANGDONG YAODA AND GUANGDONG YAODA EQUITY INTEREST

Guangdong Yaoda is a limited liability company established on 6 November 2015 in the PRC. It has a registered capital of RMB425,000,000 and is principally engaged in the business of finance lease and other leasing business.

Set out below is the audited financial information of Guangdong Yaoda Group for the two years ended 31 December 2019 prepared in accordance with the accounting standards of the PRC:

	For the year ended 31 December	
	2018	2019
	(RMB)	(RMB)
Profit before tax	53,591,253.40	64,187,809.50
Profit after tax	<u>40,137,918.15</u>	<u>47,994,718.97</u>

The unaudited total assets and net assets of Guangdong Yaoda Group as at 30 June 2020 were approximately RMB2,516,575,217.74 and RMB584,699,781.27, respectively. The unaudited profit before tax and profit after tax of Guangdong Yaoda Group for the six months ended 30 June 2020 prepared in accordance with the accounting standards of the PRC were approximately RMB49,754,154.36 and RMB37,315,615.77, respectively. The total assets and net assets of Guangdong Yaoda Group as at 31 December 2019 (audited) were approximately RMB2,302,967,718.57 and RMB581,384,017.16, respectively. The total assets and net assets of Guangdong Yaoda Group as at 31 March 2020 (audited) were approximately RMB2,335,444,372.90 and RMB596,516,374.23, respectively. The preliminary appraised value of the entire equity interest of Guangdong Yaoda as at 31 March 2020 was approximately RMB559,686,800, which was appraised by the independent Valuer.

INFORMATION OF THE PARTIES

Foshan Financial is a limited liability company incorporated in the PRC with a registered capital of RMB2,141,910,207. Foshan Financial is principally engaged in property management and investment and finance related business. Foshan Financial is a substantial shareholder of the Company. Foshan Financial is approximately 70.61% owned by Foshan Public and approximately 29.39% owned by Foshan Finance Bureau of the PRC* (佛山市財政局).

Fojin HK is a limited liability company incorporated in Hong Kong. It is principally engaged in investment and asset management. Fojin HK is a wholly-owned subsidiary of Foshan Financial and a substantial shareholder of the Company.

Foshan Public is a limited liability company incorporated in the PRC with a registered capital of RMB2,637,224,317.03. Foshan Public is principally engaged in investment, construction and operation of public infrastructure and facilities. Foshan Public is wholly-owned by the State-owned Assets Supervision and Administration Commission of Foshan Municipal Government of the PRC* (佛山市人民政府國有資產監督管理委員會).

Guangdong Weiji is a limited liability company incorporated in the PRC with a registered capital of RMB10 million. Guangdong Weiji is principally engaged in commercial services and building and is owned by Mr. Chen Jinxiang and Ms. Chen Liyao. To the best knowledge and belief of the Directors, the shareholders of Guangdong Weiji are Independent Third Parties.

Foshan Qiyun is a limited liability company incorporated in the PRC with a registered share capital of RMB105 million. Foshan Qiyun is principally engaged in road transportation and public transportation and is ultimately owned by eight individuals, namely, Mr. Chen Hanzhong, Mr. Bu Mingchao, Mr. Lin Sheyuan, Mr. Cai Xinjie, Mr. Xu Huiming, Mr. Li Xiangjian, Ms. Liang Jingpang and Mr. Yi Jiannan. To the best knowledge and belief of the Directors, all of these individuals are Independent Third Parties.

INFORMATION OF THE GROUP

The Company is a financial guarantee services provider in the PRC. It is principally engaged in the provision of (i) guarantees on behalf of SMEs and individual business proprietors to guarantee the repayment of their loans or performance of their certain contractual obligations, (ii) entrusted loans for SMEs and individual business proprietors, and (iii) micro-lending for SMEs, individual business proprietors and individuals.

Join-Share Financial is a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

CLARIFICATION ON THE ANNOUNCEMENT

Reference is made to the table on page 7 of the Announcement, which stated that the unit of currency of the audited financial information of Guangdong Yaoda Group for the two years ended 31 December 2019 is in “*RMB’000*”.

The Company wishes to clarify that the quoted unit of currency above contains an inadvertent clerical error and should instead read as “*RMB*”.

Save for the clarification made above, all the other information contained in the Announcement is correct and remains unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Foshan Financial is approximately 70.61% owned by Foshan Public and it is a substantial shareholder of the Company. Fojin HK is a substantial shareholder of the Company and a directly wholly-owned subsidiary of Foshan Financial. Hence, Foshan Financial, Foshan Public and Fojin HK are connected persons of the Company. Guangdong Yaoda is an associate of Foshan Financial and hence also a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

As at the date of this announcement, Guangdong Yaoda is a 24.71% owned subsidiary of Foshan Financial, who is a substantial shareholder and connected person of the Company, and is indirectly owned as to 17.65% by Foshan Public via Fuguan, a limited liability company incorporated in Hong Kong (which is an indirectly wholly-owned subsidiary of Foshan Public).

Therefore, each of the Equity Transfer Agreements to be entered into between (i) the Company and FS Consortium, and (ii) Join-Share Financial and Fojin HK, in relation to the disposal of the Company's Interest and JSF's Interest, respectively, constitute connected transactions of the Group under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the Disposal exceeds 5% but less than 25%, the Disposal contemplated under each of the Equity Transfer Agreements constitute discloseable transactions of the Company and therefore, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company will convene the EGM in accordance with the Listing Rules in a timely manner to consider and, if thought fit, approve the Disposal and the Equity Transfer Agreements. Execution of the Equity Transfer Agreements with the respective final transferee will be taken place upon the Company and/or Join-Share Financial having obtained the Shareholders' approval at the EGM. Foshan Financial and its associates shall abstain from voting at the resolution(s) considering and approving the Disposal contemplated under the Equity Transfer Agreements at the EGM.

The Company has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

PROFIT FORECAST IN RELATION TO THE VALUATION METHOD

The valuation method used in the Valuation Report constitutes a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**"). Accordingly, the requirements under Rules 14.60A and 14.62 of the Listing Rules are applicable.

Pursuant to the Valuation Report, details of the principal assumptions upon which the Profit Forecast was based are as follows:

General Assumptions

1. Arm's length transaction assumption

Arm's length transaction assumption assumes that the valuation target to be valued is already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the valuation target on arm's length. Arm's length transaction assumption is the most fundamental assumption for the valuation of assets.

2. Open market assumption

Open market assumption assumes that both parties of the asset transaction or the proposed assets transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the assets. The open market assumption is based on the fact that the assets can be traded openly in the market.

3. Continuous use assumption: Continuous use assumption is a hypothesis made on the conditions of the market where the assets are intended to be entered as well as the status of the assets in such market conditions. It is firstly assumed that the valued assets are in use and will be used continuously. Continuous use assumption not only states the market condition or environment of the valued assets but also emphasizes the existing status of assets. Under continuous use assumption, no consideration is given to the conversion of the use of the assets or the use of the assets under the best condition. Thus, the applicable scope of valuation results is subject to restriction.

4. Going concern assumption is a valuation assumption made by taking the overall assets of the enterprise as the valuation target. In the assumption, the enterprise as the business entity could operate legally on a going concern basis in the external environment according to the business objectives based on the existing assets and resource conditions, with the operators of the enterprise being responsible and possessing the capacity to assume duties.

Special Assumptions

1. All the audited financial report, forecast data and other valuation data of Guangdong Yaoda are true, complete, legal and valid;
2. Guangdong Yaoda fully complies with relevant laws, regulations and other policies of the country and operates legally;

3. the management of Guangdong Yaoda has responsibly fulfilled its obligations for the business operation, and has competently implemented effective management; there is no major change in the management and backbone technical personnel;
4. there is no material changes in the laws, regulations, policies and macroeconomic environment of the PRC;
5. there will be no material changes in the political, economic and environment conditions of the area in which the parties to the transaction locate, and all relevant tax rates, tax basis, interest rate and exchange rates are basically consistent with the reality;
6. to derive the profit forecast in the future, necessary analysis, judgement, and adjustment shall be made for the profit forecast of Guangdong Yaoda as provided by the relevant parties, and the reasonable assumptions for the valuation shall be determined on the basis of various possibilities and their effects in the future;
7. the valuation assumes that Guangdong Yaoda's cash flow is generated during the period of each forecast period;
8. it is assumed that the shareholders of Guangdong Yaoda control the leverage ratio of the finance lease company within 8 times as much as the net assets in the future forecast period according to the regulatory measures of the finance lease industry, and profit distribution will be made to the maximum possible extent if the leverage ratio of Guangdong Yaoda in the future period meets the regulatory requirements (being no more than 8 times). If the leverage ratio is expected to exceed the regulatory requirements, no profit distribution will be made, and all profit will be retained for the valuation target to expand the net assets;
9. it is assumed that balanced investments are made to projects, the duration of projects are consistent with that of projects in the past years, and funds are put into projects on time; the proportion of default of the invested projects is within the reasonable predicted range, and there is no substantial malicious default;
10. this valuation is on the premise of the business model, investment and financing structure and development trend on the reference date of Guangdong Yaoda. There is no major change on future business model and financing channels, and the financing funds of Guangdong Yaoda will be received on time;
11. Guangdong Yaoda makes reasonable improvements and reorganization of the existing assets to enhance profitability. The receivables and payables are collected or made within reasonable period without affecting the operation;
12. the accounting policies adopted in the preparation of this report are basically consistent with that adopted by Guangdong Yaoda in the past years in all material respects;

13. the Valuation Report is made based on the analysis of related financial forecasts provided by the management of Guangdong Yaoda and based on the assumption that such financial forecasts can be achieved for each respective year in the future and meet the operational and financial conditions of Guangdong Yaoda in each respective year;
14. the valuation assumes that it is the perpetual period of operation when the estimated profitability remains stable, and the expected return during the perpetual period is equal to the adjusted value of the return in the last year of the forecast period;
15. there are no other unpredictable and force majeure reasons that may have any material adverse effect; and
16. extraordinary reasons of inflation are not taking into account when preparing the Valuation Report.

Confirmations

In accordance with Rule 14.62(2) of the Listing Rules, the Company has engaged its reporting accountants, KPMG, to report on the calculations in which the Valuation Report was based. KPMG has reported to the Directors that so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation Report. The reporting accountants' work does not constitute any valuation of Guangdong Yaoda or an expression of an audit or review opinion on the valuation of Guangdong Yaoda.

The Directors have reviewed the assumptions based upon which the Valuation Report was prepared. The Directors have also considered the report from KPMG. On the basis of the above, the Directors confirm that the Valuation Report prepared by the Valuer has been made after due and careful enquiry.

A report from KPMG dated 31 July 2020 in compliance with Rule 14.62(2) of the Listing Rules and a letter from the Board in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Guangdong Jingxin Real Estate & Land & Assets Appraisal Co., Ltd (廣東京信房地產土地資產評估有限公司)	Professional valuer
KPMG	Certified Public Accountants

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the Valuer and KPMG is an Independent Third Party and is not a connected person of the Group. As at the date of this announcement, neither the Valuer nor KPMG has any shareholding, whether directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer and KPMG has given and has not withdrawn its respective written consent to the issue of this announcement with inclusion of its name, qualifications, report and opinions in the form and context in which they are included.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further details of the Equity Transfer Agreements and the transactions contemplated thereunder and other information; and (ii) the notice convening the EGM, is expected to be despatched to the Shareholders on or before 28 September 2020.

DEFINITIONS

In this announcement, unless otherwise defined, the capitalised terms shall have the following meanings:

“Announcement”	the announcement of the Company dated 31 July 2020
“Disposal”	the disposal of Guangdong Yaoda Equity Interest by the Company and Join-Share Financial through Public Tender
“EGM”	extraordinary general meeting of the Company to be held for the Shareholders to consider and, if thought fit, to (other among other matters) approve the Equity Transfer Agreements

“Equity Transfer Agreements”	collectively, the equity transfer agreement to be entered into between the Company and FS Consortium in relation to the disposal of the Company’s Interest and the equity transfer agreement to be entered into between Join-Share Financial and Fojin HK in relation to the disposal of the JSF’s Interest
“Fojin HK”	Fojin Hongkong Limited (佛金香港有限公司) a company incorporated in Hong Kong with limited liability on 18 September 2017, is a wholly-owned subsidiary of Foshan Financial and a substantial shareholder of the Company
“FS Consortium”	a consortium consisting of Foshan Financial, Guangdong Weiji and Foshan Qiyun
“Independent Board Committee”	an independent board committee, comprising all the independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Disposal
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and an independent financial adviser appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Disposal
“Independent Shareholder(s)”	Shareholders other than Shareholders who have material interest in the Disposal

For the purpose of this announcement and for illustrative purpose only, conversion of HK\$ into RMB is based on the approximate exchange rate of HK\$1:RMB0.88203.

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

Foshan, the PRC, 7 September 2020

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

* *for identification purpose only*

Appendix I — Report from KPMG, the Company’s reporting accountants

The following is the text of a report received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for inclusion in this announcement.

REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF GUANGDONG YAODA FINANCIAL LEASING COMPANY LIMITED* (廣東耀達融資租賃有限公司)

TO THE BOARD OF DIRECTORS OF 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)

We refer to the discounted future cash flows on which the business valuation (the “**Valuation**”) dated 1 June 2020 prepared by Guangdong Jingxin Real Estate & Land & Assets Appraisal Co., Ltd.* (廣東京信房地產土地資產評估有限公司) in respect of the appraisal of the fair value of Guangdong Yaoda Financial Leasing Company Limited* (廣東耀達融資租賃有限公司) (“**Guangdong Yaoda**”) as at 31 March 2020 is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The directors of 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 “**Directors**”) are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of Guangdong Yaoda or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

* *The official name of this entity is in Chinese. The English translation of the name is for identification only.*

KPMG

Certified Public Accountants

Hong Kong

31 July 2020

Appendix II — Letter from the Board

31 July 2020

Listing Department
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Dear Sirs,

Company: 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”)

Stock code: 1543

Transaction: Possible Discloseable Transaction in relation to the Potential Disposal of equity interests in Guangdong Yaoda

Subject: Confirmation in relation to profit forecast pursuant to Rule 14.62(3) of the Listing Rules

We refer to the announcement of the Company dated 31 July 2020 (the “**Announcement**”) relating to the captioned matters. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

We refer to the Valuation Report dated 1 June 2020 issued by the Valuer regarding the valuation of all assets and liabilities of Guangdong Yaoda as at 31 March 2020 and prepared based on income approach, which constitutes a profit forecast under Rule 14.61 of the Listing Rules.

We have discussed with the Valuer about different aspects including the bases and assumptions based upon which the Valuation Report has been prepared, and reviewed the Valuation Report for which the Valuer is responsible. We have also considered the report from KPMG, our reporting accountants, regarding whether the Profit Forecast, so far as the calculations are concerned, have been properly complied in all material respects in accordance with the bases and assumptions as set out in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the Board is of the opinion that the Valuation Report prepared by the Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board of
Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*
Wu Liejin
Chairman

* *For identification purpose only*