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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) CONNECTED AND DISCLOSEABLE TRANSACTION IN
RELATION TO FORMATION OF A JOINT VENTURE;
(2) PROPOSED GROUP RESTRUCTURING;
AND
(3) CHANGE IN USE OF PROCEEDS**

FORMATION OF A JOINT VENTURE

On 27 April 2022, the Company, Foshan Hi-Tech and GD Yuecai entered into the Shareholding Investment Cooperation Agreement in relation to formation of a joint venture, pursuant to which the Company, Foshan Hi-Tech and GD Yuecai shall contribute RMB210 million, RMB60 million and RMB30 million to the New Subsidiary, respectively. The New Subsidiary shall be owned as to 70%, 20% and 10% by the Company, Foshan Hi-Tech and GD Yuecai, respectively.

Pursuant to the Shareholding Investment Cooperation Agreement, the Company shall (i) grant a put option to GD Yuecai (the “**Put Option**”), where GD Yuecai shall have the right to sell all of its shareholdings in the New Subsidiary to the Company if the assessment results of the New Subsidiary fail to reach the level of “distinction” (優) based on the assessment method set out in the Provisional Measures on Performance Assessment of Financing Guarantee Institutions of Guangdong Province* (《廣東省政府性融資擔保機構績效考核評價暫行辦法》) issued by the Department of Finance of Guangdong Province* (廣東省財政廳) for consecutive five financial years after the establishment of the New Subsidiary; and (ii) provide a guaranteed return to GD Yuecai (the “**Guaranteed Return**”) in case the profits of the New Subsidiary to be shared to GD Yuecai are less than RMB600,000 in each financial year, subject to certain terms and conditions.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement exceed 5% but all are less than 25%, these transactions if aggregated constitute a discloseable transaction of the Company and therefore, are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GD Yuecai will become a substantial shareholder of the New Subsidiary, and therefore a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. The formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement constitute a connected transaction of the Company.

The Board has approved the entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement, and the independent non-executive Directors has also confirmed that entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, by virtue of Rule 14A.101 of the Listing Rules, entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and Shareholders' approval requirements.

THE GROUP RESTRUCTURING

The Group intends to adjust its internal group structure (the “**Group Restructuring**”) to (i) enhance the Company’s ability of equity investment; (ii) improve its use and allocation of proceeds from financing; (iii) strengthen its business development and deployment of capital resources; (iv) reorganise the business and functions among the Company and its subsidiaries; and (v) streamline its corporate structure for better risk control and management, subject to certain conditions.

The Board has resolved to conduct the Group Restructuring to better deploy its capital resources and facilitate its business development in light of the current PRC regulatory environment. The proposed Group Restructuring is subject to the approval by the Shareholders in the EGM to be convened in a timely manner.

CHANGE IN USE OF PROCEEDS

References are made to (i) the prospectus of the Company dated 11 December 2015 and the announcements of the Company dated 16 May 2016 and 26 September 2016 in relation to the proceeds from the Listing (as defined in the interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”)); (ii) 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, 18 April 2018, 22 February 2019, 6 June 2019, 8 May 2020, 29 June 2020 and 8 February 2021, respectively, and the circulars of the Company dated 30 September 2017, 9 May 2019 and 15 May 2020 (the “**2020 Circular**”), respectively, in relation to the proceeds from the Investors Subscription (as defined in the 2020 Circular) and the Placing (as defined in the 2020 Circular); and (iii) the 2020 Interim Report.

The Board has resolved to change the use of the unutilised proceeds from the Listing, the Investors Subscription and the Placing. The proposed changes of use of proceeds are subject to the approval by the Shareholders in the EGM and the respective class meetings to be convened in a timely manner.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further details of the Group Restructuring, (ii) further details of the change in use of proceeds, (iii) the notice convening the EGM, and (iv) the notice convening the respective class meetings, is expected to be despatched to the Shareholders on or before 20 May 2022.

Shareholders and potential investors of the Company should be aware that the formation of the New Subsidiary, the Group Restructuring and the change in use of proceeds are subject to a number of conditions being satisfied, and consequently the formation of the New Subsidiary, the Group Restructuring and/or the change in use of proceeds may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

FORMATION OF A JOINT VENTURE

On 27 April 2022, the Company, Foshan Hi-Tech and GD Yuecai entered into the Shareholding Investment Cooperation Agreement in relation to formation of a joint venture, pursuant to which the Company, Foshan Hi-Tech and GD Yuecai shall contribute RMB210 million, RMB60 million and RMB30 million to the New Subsidiary, respectively. The New Subsidiary shall be owned as to 70%, 20% and 10% by the Company, Foshan Hi-Tech and GD Yuecai, respectively.

The Shareholding Investment Cooperation Agreement

- Date : 27 April 2022
- Parties : (i) The Company;
(ii) Foshan Hi-Tech; and
(iii) GD Yuecai.
- Subscription amount : (i) RMB210 million by the Company (holding as to 70% of interests in the New Subsidiary);
(ii) RMB60 million by Foshan Hi-Tech (holding as to 20% of interests in the New Subsidiary); and
(iii) RMB30 million by GD Yuecai (holding as to 10% of interests in the New Subsidiary).
- Board composition : (i) The board of directors of the New Subsidiary shall comprise five directors, three of which shall be appointed by the Company, one of which shall be appointed by Foshan Hi-Tech, and one of which shall be an employee director.
(ii) The Company has the right to nominate the chairman of the board of directors of the New Subsidiary.
(iii) The supervisory committee of the New Subsidiary shall comprise three supervisors, one of which shall be appointed by the Company, one of which shall be appointed by GD Yuecai and one of which shall be an employee supervisor.
- Conditions precedent : (i) Obtaining the shareholders' approvals of Foshan Hi-Tech and GD Yuecai to enter into the transactions contemplated under the Shareholding Investment Cooperation Agreement;
(ii) obtaining the Board approval to enter into the transactions contemplated under the Shareholding Investment Cooperation Agreement;
(iii) obtaining the consent from the relevant financial supervisory authority for establishment of the New Subsidiary conducting financing guarantee business; and

(iv) (if applicable) obtaining the approval, consent and/or permission from the relevant authorities or third parties for entering into the Shareholding Investment Cooperation Agreement and the transactions contemplated thereunder.

Put Option : The Company agrees to grant the Put Option to GD Yuecai, pursuant to which GD Yuecai has the right to sell all of its shareholdings in the New Subsidiary to the Company, if the assessment results of the New Subsidiary fail to reach the level of “distinction” (優) based on the assessment method set out in the Provisional Measures on Performance Assessment of Financing Guarantee Institutions of Guangdong Province* (《廣東省政府性融資擔保機構績效考核評價暫行辦法》) issued by the Department of Finance of Guangdong Province* (廣東省財政廳) for consecutive five financial years after the establishment of the New Subsidiary.

The exercise price of the Put Option shall be the total amount to be paid by GD Yuecai to subscribe the shares in the New Subsidiary (i.e. RMB30 million).

Guaranteed Return : GD Yuecai is entitled to a guaranteed return of RMB600,000 (2% of return per year) in each financial year. The New Subsidiary shall pay the Guaranteed Return to GD Yuecai before 30 June each year in form of profit sharing based on its audited financial results in the previous financial year. Regardless of reason(s), in case GD Yuecai does not receive the Guaranteed Return or there is any shortfall from the payment of the New Subsidiary by 30 June, the Company shall be responsible to settle the Guaranteed Return or any outstanding balance.

Liquidation preference : In the event of liquidation of the New Subsidiary, GD Yuecai will be paid out of the assets of the New Subsidiary legally available for distribution and be entitled to a liquidation preference in an amount equal to its subscription amount (i.e. RMB30 million). In case the distribution to GD Yuecai is less than its subscription amount, the Company shall be responsible to settle any outstanding balance.

Pursuant to the relevant PRC laws and regulations, the establishment of a new subsidiary conducting financing guarantee business requires the consent from Guangdong Financial Supervisory Authority* (廣東省地方金融監督管理局). After the New Subsidiary obtaining a business licence of financing guarantee business from Guangdong Financial Supervisory Authority*, the Company will file the application of the registration of the New Subsidiary at the local administration of market regulation.

Information of Foshan Hi-Tech

Foshan Hi-Tech is a company established in the PRC, and its principal business includes industrial investment, industry park construction, property leasing and management, carpark operation, sales of medical devices, sales of medical facemasks, and sales of non-medical use facemasks.

Information of GD Yuecai

GD Yuecai is a company established in the PRC, and its principal business includes provision of re-guarantee service, financing guarantee service and financial adviser service, and investment by using internal funds.

Information of the Company

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.

Reasons for and benefits of entering into the Shareholding Investment Cooperation Agreement

Entering into the Shareholding Investment Cooperation Agreement with Foshan Hi-Tech and GD Yuecai and formation of the New Subsidiary can enhance the Company's development in financing guarantee business in the PRC. Foshan Hi-Tech is a company managed by State-owned Assets Supervision and Administration Commission of Foshan Chancheng District* (佛山市禪城區國有資產監督管理局). GD Yuecai is a company solely owned by Guangdong Yuecai Investment Holding Co., Ltd.* (廣東粵財投資控股有限公司), which is directly invested by People's Government of Guangdong Province and the Department of Finance of Guangdong Province* (廣東省財政廳). GD Yuecai is also the vice-president of the China Financing Guarantee Association and the president of Guangdong Financing Guarantee Association. The Company believes that the formation of the New Subsidiary with Foshan Hi-Tech and GD Yuecai can streamline the grant of bank facilities to the New Subsidiary and increase its business coverage, and hence maximising the return of investment.

The grant of Put Option and provision of Guaranteed Return to GD Yuecai under the Shareholding Investment Cooperation Agreement are on normal commercial terms. As the financing guarantee business is highly encouraged by the government authority, the Company expects that the assessment results of the New Subsidiary can reach the level of “distinction” (優) based on the assessment method set out in the Provisional Measures on Performance Assessment of Financing Guarantee Institutions of Guangdong Province* (《廣東省政府性融資擔保機構績效考核評價暫行辦法》) issued by the Department of Finance of Guangdong Province* (廣東省財政廳) in one or more financial years after its establishment. It is also expected that the New Subsidiary will be able to fully pay the Guaranteed Return to GD Yuecai. As the profits earned by the New Subsidiary in excess of RMB600,000 will be shared by the Company and Foshan Hi-Tech only pursuant to the Shareholding Investment Cooperation Agreement, the Guaranteed Return and profit-sharing arrangement can in fact maximise the return of investment of the Company, which is in the interests of the Company and its shareholders as a whole.

Listing Rules implications

The exercise of the Put Option is not at the discretion of the Company. According to Rules 14.74(1) and 14A.79(1) of the Listing Rules, on the grant of the Put Option to GD Yuecai, the transaction will be classified as if the Put Option had been exercised.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement exceed 5% but all are less than 25%, these transactions if aggregated constitute a discloseable transaction of the Company and therefore, are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GD Yuecai will become a substantial shareholder of the New Subsidiary, and therefore a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. The formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement constitute a connected transaction of the Company.

No Director has material interest in respect of entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement, and abstained from voting on the relevant board resolutions.

The Board has approved the entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement, and the independent non-executive Directors has also confirmed that entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return

pursuant to the Shareholding Investment Cooperation Agreement are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, by virtue of Rule 14A.101 of the Listing Rules, entering into the Shareholding Investment Cooperation Agreement, and formation of the New Subsidiary, the grant of Put Option and the provision of Guaranteed Return pursuant to the Shareholding Investment Cooperation Agreement are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and Shareholders' approval requirements.

THE GROUP RESTRUCTURING

Introduction

The Group intends to conduct the Group Restructuring to (i) enhance the Company's ability of equity investment; (ii) improve its use and allocation of proceeds from financing; (iii) strengthen its business development and deployment of capital resources; (iv) reorganise the business and functions among the Company and its subsidiaries; and (v) streamline its corporate structure for better risk control and management, subject to certain conditions.

Details of the Group Restructuring

Business adjustment of the Company

The Company intends to establish the New Subsidiary to carry out financing guarantee business. The Company and the New Subsidiary will be carrying out financing guarantee business in parallel for a certain period, and the Company will then gradually cease to be involved in any financing guarantee business whereas the New Subsidiary together with the existing subsidiaries of the Group (namely, Yunfu Puhui Financing Guarantee Co., Ltd.* (雲浮市普惠融資擔保股份有限公司), 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**”) and Anhui Join-Share Financing Guarantee Co., Ltd.* (安徽中盈盛達融資擔保有限公司)) will continue to carry out the financing guarantee business. Accordingly, the principal business of the Company will ultimately be changed to investment holding and the Company will cease to be involved in any financing guarantee business.

Upon completion of the Group Restructuring, the major role and function of the Company will become acting as the external investment entity and focusing on management of its subsidiaries. The Company will deregister its business licence of financing guarantee business subject to the approval of the competent authority, apply for removing the phrase “financing guarantee” (“融資擔保”) in its name and amending the business scope, and adopt a new name which will be decided at the later stage.

Shareholding structure adjustment of subsidiaries

The following sets out the details of adjustment to the shareholding structure of the Company's subsidiaries:

	Principal business	Name of subsidiary	Current shareholding	Proposed adjustment
First-tier subsidiary				
1	Financing guarantee	Yunfu Puhui Financing Guarantee Co., Ltd.* (雲浮市普惠融資擔保股份有限公司)	53.85% of its shares owned by the Company	No adjustment
2	Financing guarantee	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)	52% of its shares owned by the Company	No adjustment
3	Financing guarantee	Anhui Join-Share Financing Guarantee Co., Ltd.* (安徽中盈盛達融資擔保有限公司)	63.05% of its shares owned by the Company	No adjustment
4	Non-financing guarantee	Shenzhen Join-Share Engineering Guarantee Co., Ltd.* (深圳市中盈盛達工程擔保有限公司)	Wholly owned by the Company	No adjustment
5	Investment and consultancy	Guangdong Join-Share Capital Investment Co., Ltd.* (廣東中盈盛達資本管理有限公司)	Wholly owned by the Company	No adjustment
6	Investment and consultancy	Join-Share Financial Holdings Co., Ltd. (中盈盛達金融控股有限公司 (香港))	Wholly owned by the Company	No adjustment
7	Financing guarantee	The New Subsidiary	N/A	To be owned by the Company as to 70% of its shares
Second-tier subsidiary				
8	Micro-lending	Foshan Chancheng Join-Share Micro Credit Co., Ltd.* (佛山禪城中盈盛達小額貸款有限公司) (“ Foshan Micro Credit ”)	55.247% of its shares owned by Guangdong Join-Share Capital Investment Co., Ltd.*	To be owned by the Company as to 55.247% of its shares

	Principal business	Name of subsidiary	Current shareholding	Proposed adjustment
9	Commercial factoring	Guangdong Join-Share Commercial Factoring Co., Ltd.* (廣東中盈盛達商業保理有限公司)	Wholly owned by Guangdong Join-Share Capital Investment Co., Ltd.*	To be wholly owned by the Company
10	Investment and consultancy	Foshan Join-Share Investment and Financing Consultancy Co., Ltd.* (佛山中盈盛達投融資諮詢服務有限公司)	Wholly owned by Guangdong Join-Share Capital Investment Co., Ltd.*	To be wholly owned by the Company
11	Investment	Foshan Join-Share Industrial Investment Co., Ltd.* (佛山中盈興業投資有限公司)	Wholly owned by Guangdong Join-Share Capital Investment Co., Ltd.*	To be wholly owned by the Company
12	Industry chain service	Guangdong Join-Share Supply Chain Services Co., Ltd.* (廣東中盈盛達供應鏈管理有限公司)	85% of its shares owned by Guangdong Join-Share Capital Investment Co., Ltd.*	To be owned by the Company as to 85% of its shares
13	Digital technology	Guangdong Join-Share Digital Technology Co., Ltd.* (廣東中盈盛達數字科技有限公司)	90% of its shares owned by Guangdong Join-Share Capital Investment Co., Ltd.*	To be owned by the Company as to 90% of its shares
14	Consultancy	Hefei Join-Share Consultancy Service Co., Ltd.* (合肥中盈盛達諮詢服務有限公司)	Wholly owned by Anhui Join-Share Financing Guarantee Co., Ltd.*	No adjustment

As to the three branches of the Company, namely Guangzhou branch, Dongguan branch and Zhaoqing branch, there is currently no change on them so as to maintain stable business operation of the Group.

Conditions of the Group Restructuring

The Group Restructuring is subject to the following conditions:

- (a) obtaining the approval from relevant PRC regulatory authorities;
- (b) the creditors of the Group granting consent to the Group Restructuring (if necessary);

- (c) passing of a Shareholders' resolution at the EGM approving the Group Restructuring; and
- (d) passing of a resolution at the meeting of the Company's bondholders approving the Group Restructuring (if necessary).

As to the change of shareholder of Foshan Micro Credit, it is required to obtain the consent from the competent financial supervisory authority in the PRC (i.e. Foshan Finance Department* (佛山市金融工作局)).

As to Foshan Micro Credit and other subsidiaries of the Company which are subject to change of shareholding structure pursuant to the Group Restructuring, they shall pass a shareholders' resolution approving such change of shareholders and request the existing shareholder(s) to waive his/her/its right of first refusal (if applicable), before the registration of the change of shareholders at the local administration of market regulation.

Reasons for and benefits of the Group Restructuring

The Company is a leading financing guarantee services provider based in Guangdong province, focusing on providing credit-based financing solutions to SMEs to satisfy their financing and business needs. The Group primarily provides guarantees on behalf of SMEs and individual business proprietors, comprising financing guarantee and non-financing guarantee. The Group also engages in micro-lending, industry chain finance, factoring and investment business.

As one of the major business of the Company is providing financing guarantee service, pursuant to Measures for the Administration of the Asset Proportions of Financing Guarantee Companies (《融資擔保公司資產比例管理辦法》), it is stipulated that level III assets of the Company shall not exceed 30% of the total assets of the Company after deducting the receivables for default payments (扣除應收代償款).

As at 31 January 2022, the level III assets of the Company mainly comprised long-term equity investment, bonds, entrusted loans and other receivables amounted to approximately 26.16% of the total assets of the Company after deducting the receivables for default payments (扣除應收代償款). Since most of the equity investment and equity assets are categorised as level III assets, the Company is restrained by the 30% asset limitation requirement to utilise the proceeds from the Listing, the Investors Subscription, the Placing and issue of bonds to equity investment. Therefore, such proceeds cannot be effectively allocated to the Company's subsidiaries for their business development, and would unduly restrain the Company's ability to conduct equity investment.

Furthermore, the Company currently has multiple functions and roles, which include operating both financing guarantee and non-financing guarantee business, being the main investment and financing entity of the Group, and carrying out risk control and management of its subsidiaries.

In order to (i) enhance the Company's ability of equity investment; (ii) improve its use and allocation of proceeds from financing; (iii) strengthen its business development and deployment of capital resources; (iv) reorganise the business and functions among the Company and its subsidiaries; and (v) streamline its corporate structure for better risk control and management, the Directors consider that there is an imminent need of the Group Restructuring. The Directors confirm that the Group Restructuring will not increase the ratio of the level III assets of the Company.

The Board has resolved to conduct the Group Restructuring to better deploy its capital resources and facilitate its business development in light of the current PRC regulatory environment. No Director has material interest in respect of the Group Restructuring, and abstained from voting on the relevant board resolutions.

The proposed Group Restructuring is subject to the approval by the Shareholders in the EGM to be convened in a timely manner.

CHANGE IN USE OF PROCEEDS

References are made to (i) the prospectus of the Company dated 11 December 2015 and the announcements of the Company dated 16 May 2016 and 26 September 2016 in relation to the proceeds from the Listing (as defined in the 2020 Interim Report); (ii) 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, 18 April 2018, 22 February 2019, 6 June 2019, 8 May 2020, 29 June 2020 and 8 February 2021, respectively, and the circulars of the Company dated 30 September 2017, 9 May 2019 and 15 May 2020, respectively, in relation to the proceeds from the Investors Subscription (as defined in the 2020 Circular) and the Placing (as defined in the 2020 Circular); and (iii) the 2020 Interim Report.

The proposed change in use of the unutilised proceeds from the Listing, the Investors Subscription and the Placing are summarised below:

(1) Proceeds from the Listing of approximately HK\$340.3 million:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 December 2021	Amount of the remaining proceeds as at 31 December 2021	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (<i>Note</i>)
HK\$74.90 million	Develop SMEs lending business, establish new subsidiaries and increase capital base in order to expand the Group's SME lending business and improve its status in the market.	Approximately HK\$28.79 million and HK\$32.39 million had been used to contribute to the registered capital of Foshan Micro Credit and the acquisition of shares in Foshan Micro Credit from its existing shareholders, respectively. Following the acquisition of shares in Foshan Micro Credit, the Group's shareholding in Foshan Micro Credit increased from 30% to approximately 55.247%.	Approximately HK\$13.72 million	To increase the registered capital of Foshan Micro Credit and/or acquire part of the equity interests held by other shareholders, where practicable Based on the past financial performance and profitability of Foshan Micro Credit, the Company has confidence in the development of Foshan Micro Credit. In addition to capital injection to Foshan Micro Credit, the Company intends to acquire part of the equity interests in Foshan Micro Credit held by other shareholders, where practicable, in order to maintain or further increase the proportion of equity interests in Foshan Micro Credit.	30 June 2023

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 December 2021	Amount of the remaining proceeds as at 31 December 2021	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (<i>Note</i>)
HK\$57.90 million	Develop finance lease business, establish new finance lease subsidiaries and explore and optimise related industries and establish a finance lease company.	NIL	Approximately HK\$57.90 million	<p>(i) To increase the registered capital of Foshan Micro Credit and/or acquire part of the equity interests held by other shareholders, where practicable</p> <p>The regulators of the finance and leasing industry are in the process of regulating the industry and may issue new regulatory policies in the future. In view of the possible changes in regulatory policies and after due consideration, the Company has decided not to establish a finance lease company at this stage.</p> <p>The increase in registered capital will help to improve the rating of Foshan Micro Credit by the provincial and municipal regulatory authorities, which in turn will help Foshan Micro Credit to apply for carrying out business across the whole province in the future.</p> <p>Based on the past financial performance and profitability of Foshan Micro Credit, the Company has confidence in the development of Foshan Micro Credit. In addition to capital injection to Foshan Micro Credit, the Company intends to acquire part of the equity interests in Foshan Micro Credit held by other shareholders, where practicable, in order to maintain or further increase the proportion of equity interests in Foshan Micro Credit.</p>	30 June 2023
				<p>(ii) To supplement operating capital and other business expenses</p> <p>Supplementing operating capital can maintain our liquidity.</p>	31 December 2022

(2) Proceeds from the Investors Subscription of approximately RMB375.45 million (approximately HK\$424.21 million):

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 December 2021	Amount of the remaining proceeds as at 31 December 2021	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (<i>Note</i>)
Approximately 60% (i.e. approximately RMB225.27 million (equivalent to approximately HK\$254.52 million) of the proceeds)	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, among which:	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.			
	(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.	NIL	Approximately RMB50.00 million (equivalent to approximately HK\$56.49 million)	(i) Approximately RMB30.00 million (equivalent to approximately HK\$33.89 million) to establish a new engineering guarantee company in Foshan, PRC The Company plans to specialise in the management of the Group's engineering guarantee business by establishing a new engineering guarantee company in Foshan.	31 December 2022
				(ii) Approximately RMB20.00 million (equivalent to approximately HK\$22.60 million) to increase the registered capital of Foshan Micro Credit and/or acquire part of the equity interests held by other shareholders, where practicable The increase in registered capital will help to improve the rating of Foshan Micro Credit by the provincial and municipal regulatory authorities, which in turn will help Foshan Micro Credit to apply for carrying out business across the whole province in the future. Based on the past financial performance and profitability of Foshan Micro Credit, the Company has confidence in the development of Foshan Micro Credit. In addition to capital injection to Foshan Micro Credit, the Company intends to acquire part of the equity interests in Foshan Micro Credit held by other shareholders, where practicable, in order to maintain or further increase the proportion of equity interests in Foshan Micro Credit.	30 June 2023

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 December 2021	Amount of the remaining proceeds as at 31 December 2021	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (<i>Note</i>)
	(b) Approximately RMB40.27 million (equivalent to approximately HK\$45.50 million) will be used for capital injection in Zhongshan Join-Share.	NIL	Approximately RMB40.27 million (equivalent to approximately HK\$45.50 million)	To establish the New Subsidiary If the Company increases capital injection to Zhongshan Join-Share, this will lower its state-owned shareholding ratio, which will not be beneficial to the application of Zhongshan Join-Share for credit facilities from banks. Therefore, the Company has decided not to increase capital injection to it at this stage.	31 December 2022
Approximately 40% (i.e. approximately RMB150.18 million (equivalent to approximately HK\$169.68 million) of the proceeds)	Capital injection into Guangdong Yaoda and/or development of other financial related services business that comply with the relevant regulations and policies, whereby following disposal of Guangdong Yaoda Financial Leasing Company Limited* (廣東耀達融資租賃有限公司) (“ Guangdong Yaoda ”), approximately RMB37.61 million (equivalent to approximately HK\$36.84 million) will be used to establish a new finance leasing company which will be a subsidiary of the Company.	RMB112.57 million (equivalent to approximately HK\$132.84 million) has been used for capital injection into Guangdong Yaoda.	Approximately RMB37.61 million (equivalent to approximately HK\$36.84 million)	The regulators of the finance and leasing industry are in the process of regulating the industry and may issue new regulatory policies in the future. In view of the possible changes in regulatory policies and after due consideration, the Company has decided not to establish a finance lease company at this stage. In order to facilitate the optimisation of the Group’s structure and comply with the regulatory requirements of the financing guarantee industry, it is proposed to establish a new financing guarantee subsidiary to take over the financing guarantee business of the Company.	

(3) Proceeds from the Placing of approximately HK\$262.4 million:

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 December 2021	Amount of the remaining proceeds as at 31 December 2021	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (<i>Note</i>)
Approximately 55% (i.e. approximately HK\$144.32 million of the proceeds)	(a) Approximately RMB60.00 million (equivalent to approximately HK\$67.79 million) will be used for capital injection in Guangdong Join-Share Capital Management Limited* (廣東中盈盛達資本管理有限公司) (“Guangdong Capital Management”).	Approximately RMB60.00 million (equivalent to approximately HK\$67.79 million) has been used for capital injection in Guangdong Capital Investment.	NIL	N/A	N/A
	(b) Approximately RMB50.00 million (equivalent to approximately HK\$56.49 million) will be used to establish a new asset management company.	NIL	Approximately RMB50.00 million (equivalent to approximately HK\$56.49 million)	To establish the New Subsidiary According to the current mandatory financial regulatory policies in the PRC, there is impediment for non-state-owned enterprise to initiate the establishment of asset management company so the Company has decided not to establish an asset management company for the time being.	31 December 2022
	(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.	Approximately RMB17.73 million (equivalent to approximately HK\$20.04 million) has been used for general working capital and general corporate purposes of the Group	NIL	N/A	N/A

Net proceeds allocation	Intended use of the proceeds	Actual use of the proceeds as at 31 December 2021	Amount of the remaining proceeds as at 31 December 2021	Change of use of the Proceeds (if applicable) and reasons	Expected time of utilisation for the revised use (<i>Note</i>)
Approximately 35% (i.e. approximately HK\$91.84 million of the proceeds)	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 HK\$91.84 million	To establish the New Subsidiary There are a number of financing guarantee companies in Guangzhou at the moment, and it is expected that setting up a new financing guarantee company in Guangzhou will not bring the expected benefits to the Company. At the same time, it will not satisfy the requirements of efficient use of financial capital. In addition, the Company can carry out the financing guarantee business in Guangzhou through the Guangzhou branch to meet their business needs.	31 December 2022

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, the Board considers that the change in use of 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 and enable the Company to further capitalise on the growth potential in the micro-lending, engineering guarantee and financing guarantee business sectors, 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, and considers that the above change in the use of proceeds is in the best interest of the Company and its Shareholders as a whole. The Board has resolved to change the use of the unutilised proceeds from the Listing, the Investors Subscription and the Placing. No Director has material interest in respect of the change in use of proceeds, and abstained from voting on the relevant board resolutions. The proposed changes of use of proceeds are subject to the approval by the Shareholders in the EGM and the respective class meetings to be convened in a timely manner.

DESPATCH OF CIRCULAR

A circular containing, among others, (i) further details of the Group Restructuring, (ii) further details of the change in use of Proceeds, (iii) the notice convening the EGM, and (iv) the notice convening the respective class meetings, is expected to be despatched to the Shareholders on or before 20 May 2022.

Shareholders and potential investors of the Company should be aware that the formation of the New Subsidiary, the Group Restructuring and the change in use of proceeds are subject to a number of conditions being satisfied, and consequently the formation of the New Subsidiary, the Group Restructuring and/or the change in use of Proceeds may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors of the Company
“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), formerly known as Foshan Yingda Guarantee Investment Co., Ltd., a joint stock limited company incorporated in the PRC and the H Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held for the Shareholders to consider and, if thought fit, to approve the Group Restructuring and change in use of proceeds
“Foshan Hi-Tech”	Foshan Hi-Tech Industries Investment Development Company Limited* (佛山高新技術產業投資發展有限公司), a company incorporated in the PRC with limited liability
“GD Yuecai”	Guangdong Yuecai Financing Guarantee Group Co., Ltd.* (廣東粵財融資擔保集團有限公司), a company incorporated in the PRC with limited liability
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“New Subsidiary”	the new joint venture company to be formed by the Company, Foshan Hi-Tech and GD Yuecai with registered capital of RMB300 million to carry out financing guarantee business pursuant to the Shareholding Investment Cooperation Agreement, which will become a non-wholly owned subsidiary of the Company upon establishment
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	collectively, the H shares which are listed on the Stock Exchange and domestic shares both with a nominal value of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of share(s) of the Company
“Shareholding Investment Cooperation Agreement”	the shareholding investment cooperation agreement entered into by the Company, Foshan Hi-Tech and GD Yuecai in relation to formation of a joint venture on 27 April 2022
“SMEs”	small-and-medium-sized enterprises
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, conversion of RMB into HK\$ is based on the approximate exchange rate of HK\$1: RMB0.88507.

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

Foshan, the PRC, 27 April 2022

As at 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, Mr. Li Shen Hua, Mr. Luo Zhenqing, Mr. Zhao Wei and Mr. Ou Weiming; and the independent non-executive Directors of the Company are Mr. Wu Xiangneng, Mr. Leung Hon Man and Mr. Wang Bo.

** for identification purpose only*