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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)

**SUPPLEMENTAL PLACING AGREEMENT
BOOK CLOSURE PERIOD FOR THE EXTRAORDINARY
GENERAL MEETING AND CLASS MEETINGS
TO BE HELD ON 17 NOVEMBER 2017**

Sole Placing Agent



廣發證券(香港)經紀有限公司
GF SECURITIES (HONG KONG) BROKERAGE LIMITED

Reference is made to (a) the announcement of the Company dated 15 May 2017 (the “**May Announcement**”) and the announcements of the Company dated 25 May 2017 and 29 June 2017, relating to, among other things, the proposed Investor Subscription, the proposed Management Subscription and the proposed issue of the Investor Subscription Shares and the Management Subscription Shares under specific mandate; (b) the announcement of the Company dated 18 July 2017 relating to, among other things, the proposed Placing of new H Shares under specific mandate (the “**July Announcement**”); and (c) the announcement of the Company dated 26 July 2017 relating to, among other things, the Possible Shareholders’ Transaction and the Possible Further Public Float Shortfall (the “**Inside Information Announcement**”). Unless otherwise stated herein, capitalized terms used in this announcement shall have the same meanings as those defined in the July Announcement and the Inside Information Announcement.

SUPPLEMENTAL PLACING AGREEMENT

As disclosed in the Inside Information Announcement, assuming that the Investor Subscription and the Management Subscriptions are successfully completed and that there is no other change in the issued share capital of the Company and the Shares held or to be held by the Subscriber (and its nominee) and Fuside since the date of the May Announcement and up to the Investor Subscription Completion and the Management Subscription Completion, save for the issue of the Investor Subscription Shares and the Management Subscription Shares, the Subscriber (and its nominee) together with Fuside will hold 74,364,000 H Shares and 256,098,700 Domestic Shares, representing in aggregate approximately 24.05% of the enlarged issued share capital of the Company. The Subscriber will become a substantial Shareholder and the Shares to be held by the Subscriber (and its nominee) and the Shares held by Fuside will not count towards the public float, resulting in the Initial Public Float Shortfall. In addition, assuming that the Investor Subscription, the Management Subscriptions and the Possible Shareholders' Transaction are successfully and simultaneously completed, the Subscriber (and its nominee) together with Fuside will hold 144,364,000 H Shares and 256,098,700 Domestic Shares, and the total number of H Shares to be held by the public will further decrease from approximately 21.35% to approximately 16.25% of the total issued share capital of the Company as enlarged by the Investor Subscription Shares and the Management Subscription Shares, resulting in the Possible Further Public Float Shortfall.

To ensure that the Company will be able to restore or maintain the Public Float Requirement at all times in light of the Initial Public Float Shortfall upon the Investor Subscription Completion and the Possible Further Public Float Shortfall upon the Possible Shareholders' Transaction Completion, on 28 September 2017 (after trading hours), the Company entered into the supplemental placing agreement with the Placing Agent to amend and supplement certain provisions of the Placing Agreement in such manner as set out below (the "**Supplemental Placing Agreement**").

PLACING AND THE PLACING SHARES

Pursuant to the Supplemental Placing Agreement, the maximum number of the Placing Shares (i.e. 186,666,000 new H Shares) under the Supplemental Placing Agreement will be divided into two tranches. The first tranche of the Placing Shares consists of no more than 66,932,000 new H Shares (the "**First Tranche Placing Shares**") and the second tranche of the Placing Shares consists of no more than 119,734,000 new H Shares (the "**Second Tranche Placing Shares**"). In addition, the term "Placing Shares" is redefined to comprise the First Tranche Placing Shares and the Second Tranche Placing Shares (or any part thereof), which in aggregate shall not exceed 186,666,000 new H Shares. It is agreed by the Company and the Placing Agent that each of the First Tranche Placing Shares and the Second Tranche Placing Shares are expected to be placed to not less than six places on a best-effort basis, whether or not the completion of the First Tranche Placing and the Second Tranche Placing is to take place simultaneously.

PLACING COMPLETION

Pursuant to the Supplemental Placing Agreement, the Company and the Placing Agent agreed to redefine the date of the Placing Completion to mean (i) the date on which the First Tranche Placing is to take place, being the date of the Investor Subscription Completion or such other date as the Company and the Placing Agent may agree in writing (the “**First Tranche Placing Completion Date**”); or (ii) the date on which the Second Tranche Placing is to take place, being the date of the Investor Subscription Completion or the date of the Possible Shareholders’ Transaction Completion, whichever is later, or such other date as the Company and the Placing Agent may agree in writing (the “**Second Tranche Placing Completion Date**”).

CONDITIONS PRECEDENT TO THE PLACING

Pursuant to the Supplemental Placing Agreement, the Company and the Placing Agent agreed that the conditions precedent to the Placing under the Placing Agreement be revised as follows:

Completion of the First Tranche Placing is conditional upon the fulfilment of the following conditions precedent:

- (i) the Listing Committee of the Stock Exchange granting the listing approval in relation to the listing of, and permission to deal in the First Tranche Placing Shares (and such permission not being subsequently revoked prior to the completion of the First Tranche Placing);
- (ii) all necessary approval and consents from the Board, the Shareholders and the regulatory authorities and all necessary filings in connection with the First Tranche Placing and the transactions contemplated thereunder (including the corresponding amendments to the Articles) having been obtained and completed, and remaining in full force and effect as at the First Tranche Placing Completion Date;
- (iii) the specific mandate to allot and issue the First Tranche Placing Shares having been obtained at the EGM and the Class Meetings;
- (iv) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) not having been terminated pursuant to the terms thereof; and
- (v) the Investor Subscription Agreement having become unconditional in all respects.

None of the above conditions precedent may be waived by any party to the Placing Agreement as amended and supplemented by the Supplemental Placing Agreement. Both parties shall use their best effort to procure the fulfilment of the conditions precedent above. If any of the conditions precedent above cannot be fulfilled on or before 31 December 2017 (or such other date as may be agreed between the Company and the Placing Agent in writing), all of the obligations of the Company and the Placing Agent with respect to the First Tranche Placing shall cease and determine (save for certain clauses specified in the Placing Agreement as amended and supplemented by the Supplemental Placing Agreement) and none of the parties shall have any claim against any other in respect of the First Tranche Placing, save for any antecedent breaches.

Completion of the Second Tranche Placing is conditional upon the fulfilment of the following conditions precedent:

- (i) the Listing Committee of the Stock Exchange granting the listing approval in relation to the listing of, and permission to deal in the Second Tranche Placing Shares (and such permission not being subsequently revoked prior to the completion of the Second Tranche Placing);
- (ii) all necessary approval and consents from the Board and the Shareholders and the regulatory authorities and all necessary filings in connection with the Second Tranche Placing and the transactions contemplated thereunder (including the corresponding amendments to the Articles) having been obtained and completed, and remaining in full force and effect as at the Second Tranche Placing Completion Date;
- (iii) the specific mandate to allot and issue the Second Tranche Placing Shares having been obtained at the EGM and the Class Meetings;
- (iv) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) not having been terminated pursuant to the terms thereof; and
- (v) the Possible Shareholders' Transaction having been completed in accordance with its terms.

None of the above conditions precedent may be waived by any party to the Placing Agreement as amended and supplemented by the Supplemental Placing Agreement. Both parties shall use their best effort to procure the fulfilment of the conditions precedent (i), (ii), (iii) and (iv) above. If any of the conditions precedent above cannot be fulfilled on or before 31 December 2017 (or such other date as may be agreed between the Company and the Placing Agent in writing), all of the obligations of the Company and the Placing Agent with respect to the Second Tranche Placing shall cease and determine (save for certain clauses specified in the Placing Agreement as amended and supplemented by the Supplemental Placing Agreement) and none of the parties shall have any claim against any other in respect of the Second Tranche Placing, save for any antecedent breaches.

For the avoidance of doubt, the First Tranche Placing and the Second Tranche Placing are not interconditional upon each other.

Save for the abovementioned, all other major terms and conditions set out in the Placing Agreement remain unchanged.

INTENDED USE OF PROCEEDS FROM THE PLACING

Assuming that all the Placing Shares (comprising the First Tranche Placing Shares and the Second Placing Shares) are successfully placed (whether these two tranches of Placing are simultaneously or separately completed) by the Placing Agent, the aggregate gross proceeds from the Placing will be approximately HK\$265.07 million (approximately RMB234.60 million), and the net aggregate proceeds from the Placing (after deduction of expenses of the Placing) will be approximately HK\$262.42 million (approximately RMB232.26 million) (the “**Placing Net Proceeds**”). As disclosed in the July Announcement, the Company intends to use the Placing Net Proceeds for general working capital and general corporate purposes. To allow the Shareholders to understand the proposed uses and allocation of the Placing Net Proceeds, the Directors would like to elaborate the proposed application of the Placing Net Proceeds as follows:

- approximately 30% will be used for funding a potential investment (through capital contribution or acquisition of existing equity interest) in a company established in Foshan, the PRC, which is principally engaged in providing financial and related consultancy services through its service platform to the small and medium enterprises (the “**SMEs**”) operating along the value chain in the ceramic industry of the PRC. The Directors believe that the SMEs in the PRC ceramic industry especially in Foshan, which is considered as one of the major and traditional ceramic bases in the PRC, are in need of external financing for business transformation, product innovation and technological upgrade to echo the supply-side structural reform announced by the PRC government, in order to achieve higher efficiency and orderly and healthy growth. Given the business scale and limited credit history or collateral available, it is not easy for these SMEs to obtain or extend bank borrowing at reasonable cost, or at all. Accordingly, the Directors are of the view that the potential investment in the target company, if materialized, would enlarge the Group’s customer base and extend the footprint of its financial services to the ceramic industry which presents attractive business potentials, and allow the Group to leverage its expertise to offer financial services to potential customers operated in ceramic industry to generate additional revenue. The service platform and network already developed and operated by the target company would also give the Group’s access to potential customers not only restricted to Foshan region but also other parts of China (the “**Relevant Expansion Plan**”);

- approximately 35% 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. The Directors believe that such expansion plan will effectively consolidate the Group's market share and position in the financing guarantee sector of Guangdong Province and enable the Group to meet the demand for financing guarantee services that may arise from the local enterprises, as the Group currently has been operating a financing guarantee branch company in Guangzhou city of Guangdong Province only, restricting its ability to offer related services to potential local customers;
- approximately 25% will be used for increasing the registered capital of Foshan Chancheng Join-Share Micro Credit Co., Ltd.* (佛山禪城中盈盛達小額貸款有限公司), a subsidiary of the Company engaging in SME lending business, which would allow the Group to expand the lending portfolio and capture further business opportunity under this segment in light of the recent increase in the demand for SME loans granted by the Group; and
- approximately 10% will be used for general working capital purposes, of which approximately 6% will be used for the renovation of existing office premises of the Group and the setting up of new offices by the Group in Foshan to enhance its business network in the city and approximately 4% will be used for purchasing office equipment including computers and for upgrading the computer software.

To the best knowledge, information and belief of the Directors, the potential vendor(s) or investment or acquisition target(s) in connection with the above plans are Independent Third Parties and not connected with the Subscriber.

The net proceeds originally allocated for pursuing acquisition and merger opportunities as mentioned above will be applied for developing the existing businesses of the Group in the event that the Company is unable to identify any suitable acquisition targets, in which case further announcement(s) will be made by the Company as and when appropriate pursuant to the Listing Rules.

In the event that the parties to the Possible Shareholders' Transaction does not proceed to the completion, the Company and the Placing Agent will only place the First Tranche Placing Shares which are sufficient to cover the Initial Public Float Shortfall for fulfilling the Public Float Requirement upon the Investor Subscription Completion. In such a case, the net proceeds from the First Tranche Placing will be approximately HK\$94.09 million (or approximately RMB83.28 million) and the Company will apply and allocate approximately 84% of the net proceeds from the First Tranche Placing for the Relevant Expansion Plan and the remaining approximately 16% for general working capital purposes for the renovation of existing office premises of the Group and the setting up of new offices by the Group in Foshan to enhance its business network in the city. Any shortfall in the capital requirement for implementing the Relevant Expansion Plan and/or other expansion or renovation plan as mentioned above will be funded with internal resources of the Group as appropriate.

REASONS FOR THE SUPPLEMENTAL PLACING AGREEMENT

As disclosed in the July Announcement, the Company received notice from the Subscriber and Yuecai HK, an existing Shareholder, that on 26 July 2017, the Subscriber and Yuecai HK entered into the conditional Possible Shareholders' Transaction. The Possible Shareholders' Transaction Completion will result in the Possible Further Public Float Shortfall, in addition to the Initial Public Float Shortfall as a result of the Investor Subscription Completion. Accordingly, the Company and the Placing Agent entered into the Supplemental Placing Agreement which amended and supplemented certain provisions of the Placing Agreement to facilitate the Company in complying with the Public Float Requirement by issuing the First Tranche Placing Shares and the Second Tranche Placing Shares (as the case may be) under different factual circumstances.

The Directors consider that the terms of the Supplemental Placing Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole.

POTENTIAL IMPACT ON THE PUBLIC FLOAT

As at the date of this announcement, the number of issued Shares is 1,066,666,667 Shares, comprising 773,333,333 Domestic Shares and 293,333,334 H Shares.

Assuming that the Investor Subscription and the Management Subscriptions are successfully completed and that there is no other change in the issued share capital of the Company and the Shares held or to be held by the Subscriber (and its nominee) and Fuside since the date of the May Announcement and up to the Investor Subscription Completion and the Management Subscription Completion, save for the issue of the Investor Subscription Shares, the Management Subscription Shares, the Placing Shares and the H Shares to be acquired by the Subscriber under the Possible Shareholders' Transaction, in the event that (i) the Possible Shareholders' Transaction is completed in accordance with its terms and all of the Placing Shares are successfully placed, the number of issued Shares of the Company as enlarged by the Investor Subscription Shares, the Management Subscription Shares and the Placing Shares will increase to 1,560,792,687 Shares, of which 409,999,334 H Shares, representing approximately 26.27% of the enlarged issued share capital of the Company, will be held in the hands of the public; or (ii) the Possible Shareholders' Transaction is not completed and only the First Tranche Placing Shares are successfully placed, the number of issued Shares of the Company as enlarged by the Investor Subscription Shares, the Management Subscription Shares and the First Tranche Placing Shares will increase to 1,441,058,687 Shares, of which 360,265,334 H Shares, representing approximately 25.00% of the enlarged issued share capital of the Company, will be held in the hands of the public.

Completion of the Placing is subject to the satisfaction of the conditions precedent and the termination events set out in the Placing Agreement (as supplemented by the Supplemental Placing Agreement). As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

BOOK CLOSURE PERIOD FOR THE EXTRAORDINARY GENERAL MEETING AND CLASS MEETINGS TO BE HELD ON 17 NOVEMBER 2017

The Board announces that a circular containing, amongst others, (i) the proposed Investor Subscription; (ii) the proposed Management Subscriptions; (iii) the proposed Placing; (iv) the proposed amendments to the Articles; and (v) notices of the EGM and the Class Meetings, are expected to be despatched to the Shareholders no later than 30 September 2017.

Each of the Domestic Shareholders Class Meeting, the H Shareholders Class Meeting and the EGM are expected to be held at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 17 November 2017 at 2:00 p.m., 3:30 p.m. and 5:00 p.m., respectively.

In order to determine the Shareholders' eligibility to attend the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting (as the case may be), the register of members of the Company will be closed from Wednesday, 18 October 2017 to Friday, 17 November 2017, both days inclusive, during which no transfer of Shares will be registered. Only Shareholders whose names appear on the register of members of the Company on Friday, 17 November 2017 or their proxies or duly authorised corporate representatives are entitled to attend the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting (as the case may be).

In order to qualify for attending and voting at the EGM, the Domestic Shareholders Class Meeting and the H Shareholders Class Meeting (as the case may be), all properly completed transfer documents accompanied with the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or the Company's registered office in the PRC at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC (for holders of Domestic Shares) not later than 4:30 p.m. on Tuesday, 17 October 2017.

By order of the Board
Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*
Xie Yongdong
Executive Director

Foshan, the PRC, 28 September 2017

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

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB has been translated to HK\$ at the rate of HK\$1=RMB0.88507. No representation has been made by the Company that any amount expressed in foreign currency in this announcement has been, could have been or could be converted at the above rate or any other rates at all.

* *For identification purpose only*