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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE PROVISION OF GUARANTEE**

### **THE GUARANTEE**

On 2 August 2019, the Company and Pacific Construction entered into the Guarantee Service Agreement pursuant to which the Company agrees to provide the Guarantee to Pacific Construction regarding the Construction Project. The total Guarantee Amount is RMB318,111,892.83 (equivalent to approximately HK\$367,334,749.23). Pacific Construction shall pay service fees of a total RMB3,181,118.93 (equivalent to approximately HK\$3,673,347.49) to the Company. The term of the Guarantee is six months since the execution of the Letter of Guarantee.

### **REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE**

Pacific Construction has obtained class-one qualifications on municipal utility construction-contracting field and other qualifications. Pacific Construction was consecutively elected as the world's top 500 companies, and was ranked 96th among the world's top 500 companies in 2018. By providing guarantee services to Pacific Construction, the Group will build up long-term business relationship with Pacific Construction which will be beneficial to the strengthening of our operating business as well as to our brand building. Therefore, the Directors expect that such cooperation with Pacific Construction will bring to the Group more business opportunities to work with large and well-known companies.

Taking into account the above, the Directors, including the independent non-executive Directors, are of the view that the Guarantee Service Agreement was entered into in the ordinary and usual course of business of the Company and consider that the terms of the Guarantee Service Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

There have been a series of provisions of guarantee to Pacific Construction by the Company within the past 12 months and thus pursuant to Rule 14.22 of the Listing Rules, these series of transactions should aggregate with the provision of the Guarantee for the purpose of calculating the percentage ratios (as defined in Rule 14.07 of the Listing Rules).

As the highest applicable percentage ratio of the provision of the Guarantee contemplated under the Guarantee Service Agreement together with the previous provisions of guarantee on an aggregate basis exceeds 5% but is less than 25%, the provision of the Guarantee contemplated under the Guarantee Service Agreement constitutes a discloseable transaction of the Company and therefore, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **BACKGROUND**

Pacific Construction and PRC Co A jointly participated in the tendering for the Construction Project in Leizhou City, Zhanjiang City, Guangdong Province, the PRC and were awarded a tender for the Construction Project.

On 2 August 2019, the Company and Pacific Construction entered into the Guarantee Service Agreement pursuant to which the Company agrees to provide the Guarantee to Pacific Construction regarding the Construction Project.

## **THE GUARANTEE**

### **The Guarantee Service Agreement**

The principal terms of the Guarantee Service Agreement are set out as follows:

- Date : 2 August 2019
- Parties : (a) The Company, as guarantor; and  
(b) Pacific Construction, as warrantee
- Guarantee : The Company shall provide the Guarantee through the Bank in favour of the PRC Authority for the Guarantee Amount of RMB318,111,892.83 (equivalent to approximately HK\$367,334,749.23).

Service fees : Pacific Construction shall pay a total RMB3,181,118.93 (equivalent to approximately HK\$3,673,347.49), which represents 1% of the Guarantee Amount, to the Company in a lump sum after the signing of the Guarantee Service Agreement.

The Company shall provide the Letter of Guarantee to be issued by the Bank at the time as requested by Pacific Construction after the receipt of the service fees.

Term of Guarantee : Six months since the execution of the Letter of Guarantee.

### **Counter-guarantee**

On 2 August 2019, the Company and PRC Co B entered into a counter-guarantee agreement pursuant to which PRC Co B shall provide counter-guarantee to the Company regarding the Guarantee Service Agreement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Pacific Construction, the Bank, PRC Co A, PRC Co B and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons and any of their respective associates.

### **INFORMATION OF PACIFIC CONSTRUCTION**

Pacific Construction is a limited liability company incorporated in the PRC with a registered capital of RMB10,500 million. Pacific Construction is principally engaged in the construction business including construction of roads, bridge, tunnels and municipal facilities.

### **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 small and medium enterprises ("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 THE PROVISION OF GUARANTEE**

Pacific Construction has obtained class-one qualifications on municipal utility construction-contracting field and other qualifications. Pacific Construction was consecutively elected as the world's top 500 companies, and was ranked 96th among the world's top 500 companies in 2018. By providing guarantee services to Pacific Construction, the Group will build up long-term business relationship with Pacific

Construction which will be beneficial to the strengthening of our operating business as well as to our brand building. Therefore, the Directors expect that such cooperation with Pacific Construction will bring to the Group more business opportunities to work with large and well-known companies.

Taking into account the above, the Directors, including the independent non-executive Directors, are of the view that the Guarantee Service Agreement was entered into in the ordinary and usual course of business of the Company and consider that the terms of the Guarantee Service Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

There have been a series of provisions of guarantee to Pacific Construction by the Company within the past 12 months and thus pursuant to Rule 14.22 of the Listing Rules, these series of transactions should aggregate with the provision of the Guarantee for the purpose of calculating the percentage ratios (as defined in Rule 14.07 of the Listing Rules).

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the provision of the Guarantee contemplated under the Guarantee Service Agreement together with the previous provisions of guarantee on an aggregate basis exceeds 5% but is less than 25%, the provision of the Guarantee contemplated under the Guarantee Service Agreement constitutes a discloseable transaction of the Company and therefore, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	a licensed commercial bank in the PRC
“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), a joint stock limited company incorporated in the PRC and the H Shares of which are listed on the Stock Exchange
“Construction Project”	a road construction project in Leizhou City, Zhanjiang City, Guangdong Province, the PRC
“Director(s)”	the director(s) of the Company

“Guarantee”	the ordinary guarantee to be provided by the Company through the Bank in favour of the PRC Authority for the Guarantee Amount
“Guarantee Amount”	a total of RMB318,111,892.83 (equivalent to approximately HK\$367,334,749.23)
“Guarantee Service Agreement”	the guarantee service agreement dated 2 August 2019 and entered into between the Company and Pacific Construction in relation to the provision of the Guarantee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Letter of Guarantee”	the letter of guarantee to be issued by the Bank pursuant to the Guarantee Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Pacific Construction”	Pacific Construction Group Co., Ltd.* (太平洋建設集團有限公司), a company incorporated under the laws of the PRC with limited liability
“PRC”	the People’s Republic of China
“PRC Authority”	a relevant regulatory authority in the PRC
“PRC Co A”	a company incorporated under the laws of the PRC with limited liability which is an independent third party
“PRC Co B”	a company incorporated under the laws of the PRC with limited liability which is an independent third party
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”           the holder(s) of share(s) of the Company  
“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:RMB0.866.*

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

Foshan, the PRC, 2 August 2019

*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, Mr. Huang Guoshen 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*