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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 TRANSACTIONS IN RELATION TO THE PROVISION OF GUARANTEE

THE GUARANTEE

On 13 August 2019, the Company and Pacific Construction entered into the Guarantee Service Agreements pursuant to which the Company agrees to provide the Guarantee to Pacific Construction regarding the Construction Projects. The total guarantee amount is RMB33,915,460 (equivalent to approximately HK\$39,163,348.7). Pacific Construction shall pay a total service fees of RMB802,484.5 (equivalent to approximately HK\$926,656.5) to the Company in relation to the provision of the Guarantee. The term of the Guarantee is ranging from 9 to 18 months upon execution of the respective letter of guarantees.

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 each of the Guarantee Service Agreements was entered into in the ordinary and usual course of business of the Company and consider that the terms of each of the Guarantee Service Agreements 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 (including the provision of guarantee as disclosed in the August Announcement), 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 Agreements 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 Agreements constitutes discloseable transactions of the Company and therefore, are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Pacific Construction has taken up the Construction Projects. On 13 August 2019, the Company and Pacific Construction entered into the Guarantee Service Agreements pursuant to each of which the Company agrees to provide guarantee to Pacific Construction regarding the respective Construction Projects.

THE GUARANTEE

The Guarantee Service Agreements

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

- Date : 13 August 2019
- Parties : (a) The Company, as guarantor;
(b) Pacific Construction, as warrantee; and
(c) Four individuals, as counter-guarantors

Guarantee : The Company shall provide a guarantee through the Bank in favour of the relevant authority in the PRC for an guarantee amount of RMB30,000,000 (equivalent to approximately HK\$34,642,032.3).

Service fees : Pacific Construction shall pay a total of RMB750,000 (equivalent to approximately HK\$866,050.8) to the Company in a lump sum after the signing of the Guarantee Service Agreement A.

The Company shall provide a 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 : 18 months upon the execution of the letter of guarantee.

Counter-guarantee : Four independent individuals who are PRC residents shall provide counter-guarantee jointly to the Company.

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

Date : 13 August 2019

Parties : (a) The Company, as guarantor;
(b) Pacific Construction, as warrantee; and
(c) An independent individual, as counter-guarantor

Guarantee : The Company shall provide the guarantee through the Bank in favour of the relevant authority in the PRC for an guarantee amount of RMB3,268,040 (equivalent to approximately HK\$3,773,718.2).

Service fees : Pacific Construction shall pay a total of RMB42,484.5 (equivalent to approximately HK\$49,058.3) to the Company in a lump sum after the signing of the Guarantee Service Agreement B.

The Company shall provide a 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 : 9 months upon the execution of the letter of guarantee.

Counter-guarantee : An independent individual who is a PRC resident shall provide counter-guarantee to the Company.

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

- Date : 13 August 2019
- Parties : (d) The Company, as guarantor;
(e) Pacific Construction, as warrantee; and
(f) An independent individual, as counter-guarantor
- Guarantee : The Company shall provide the guarantee through the Bank in favour of the relevant authority in the PRC for an guarantee amount of RMB647,420 (equivalent to approximately HK\$747,598.2).
- Service fees : Pacific Construction shall pay a total of RMB10,000 (equivalent to approximately HK\$11,547.3) to the Company in a lump sum after the signing of the Guarantee Service Agreement C.
- The Company shall provide a 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 : 12 months upon the execution of the letter of guarantee.
- Counter-guarantee : An independent individual who is a PRC resident shall provide counter-guarantee to the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Pacific Construction, the Bank and their respective ultimate beneficial owners and all individuals who act as counter-guarantors 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

Reference is made to the announcement of the Company dated 2 August 2019 (the “**August Announcement**”).

As disclosed in the August Announcement, 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 each of the Guarantee Service Agreements was entered into in the ordinary and usual course of business of the Company and consider that the terms of each of the Guarantee Service Agreements 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 (including the provision of guarantee as disclosed in the August Announcement), 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 Agreements 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 Agreements constitutes discloseable transactions of the Company and therefore, are 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(s)”	collectively, three construction projects in the PRC taken up by Pacific Construction
“Director(s)”	the director(s) of the Company
“Guarantee”	collectively, the guarantee to be provided by the Company through the Bank in favour of the relevant authorities in the PRC under the Guarantee Service Agreements
“Guarantee Service Agreement A”	the guarantee service agreement dated 13 August 2019 and entered into between the Company and Pacific Construction in relation to the provision of the guarantee for an amount of RMB30,000,000
“Guarantee Service Agreement B”	the guarantee service agreement dated 13 August 2019 and entered into between the Company and Pacific Construction in relation to the provision of the guarantee for an amount of RMB3,268,040
“Guarantee Service Agreement C”	the guarantee service agreement dated 13 August 2019 and entered into between the Company and Pacific Construction in relation to the provision of the guarantee for an amount of RMB647,420
“Guarantee Service Agreements”	collectively, Guarantee Service Agreement A, Guarantee Service Agreement B and Guarantee Service Agreement C

“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
“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
“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 Liejin
Chairman

Foshan, the PRC, 13 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*