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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 December 2019, the Company and Guangxi Construction No.5 Company entered into the Guarantee Service Agreement pursuant to which the Company agrees to provide the Guarantee to Guangxi Construction No.5 Company regarding the Construction Project. The total guarantee amount is RMB80,298,000 (equivalent to approximately HK\$89,458,556.15). Guangxi Construction No.5 Company shall pay a total service fees of RMB1,043,874 (equivalent to approximately HK\$1,162,961.23) to the Company in relation to the provision of the Guarantee. The term of the Guarantee is 12 months upon execution of the letter of guarantee.

REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

Guangxi Zhuang Autonomous Region is one of the important gateways for the PRC government to promote the development of the western region in the PRC. Guangxi Construction No.5 Company is one of the largest local construction companies in Guangxi, which is accredited with various qualifications, such as the highest ranked general contracting qualification in construction engineering and Class A qualification for Architectural Engineering Design (設計甲級). By providing guarantee services to Guangxi Construction No.5 Company, the Group will build up long-term business relationship with Guangxi Construction No.5 Company which will be beneficial to the strengthening of our operating business as well as to our brand building in Guangxi. Therefore, the Directors expect that such cooperation with Guangxi Construction No.5 Company will bring to the Group more business opportunities to work with companies in Guangxi. Further, the Directors are of the view that the service fees to be obtained from Guangxi Construction No.5 Company is with market practice.

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 has been provision of guarantee to Guangxi Construction No.5 Company by the Company pursuant to the First Guarantee Service Agreement within the past 12 months, and thus pursuant to Rule 14.22 of the Listing Rules, this transaction 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).

The First Guarantee Service Agreement does not constitute a notifiable transaction of the Company under Chapter 14 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 provision of guarantee pursuant to the First Guarantee Service Agreement on an aggregate basis exceeds 5% but is less than 25%, the provision of the Guarantee contemplated under the Guarantee Service Agreement together with the previous provision of guarantee pursuant to the First Guarantee Service Agreement constitutes a discloseable transaction of the Company and therefore, are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Guangxi Construction No.5 Company and PRC Co A jointly participated in the tendering for the Construction Project in Guangxi, the PRC, and were awarded a tender for the Construction Project.

On 2 December 2019, the Company and Guangxi Construction No.5 Company entered into the Guarantee Service Agreement pursuant to which the Company agrees to provide the Guarantee to Guangxi Construction No.5 Company 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 December 2019
- Parties : (a) The Company, as guarantor;
(b) Guangxi Construction No.5 Company, as warrantee;
and
(c) Ms. Zhang Yun (張雲), an independent third party, as counter-guarantor
- Guarantee : The Company shall provide a guarantee through Bank A in favour of the relevant authority in the PRC for a guarantee amount of RMB80,298,000 (equivalent to approximately HK\$89,458,556.15).
- Service fees : Guangxi Construction No.5 Company shall pay a total of RMB1,043,874 (equivalent to approximately HK\$1,162,961.23) to the Company in a lump sum after the signing of the Guarantee Service Agreement.
- The Company shall provide a letter of guarantee to be issued by Bank A at the time as requested by Guangxi Construction No.5 Company after the receipt of the services fees.
- Term : 12 months upon the execution of the letter of guarantee.
- Counter-guarantee : Ms. Zhang Yun (張雲), an independent third party and a PRC resident, shall provide counter-guarantee to the Company.

The First Guarantee Service Agreement

On 15 August 2019, the Company and Guangxi Construction No.5 Company entered into the First Guarantee Service Agreement pursuant to which the Company agreed to provide the guarantee to Guangxi Construction No.5 Company regarding an education institution construction project in Foshan City, the PRC.

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

- Date : 15 August 2019
- Parties : (a) The Company, as guarantor;
(b) Guangxi Construction No.5 Company, as warrantee;
(c) Mr. Cai Zhixiong (蔡志雄), an independent third party, as counter-guarantor; and
(d) Mr. Cai Jiaqin (蔡家勤), an independent third party, as counter-guarantor.
- Guarantee : The Company provided a guarantee through Bank B in favour of the relevant company in the PRC for a guarantee amount of RMB47,726,032 (equivalent to approximately HK\$53,170,713.01).
- Service fees : Guangxi Construction No.5 Company paid a total of RMB620,438.42 (equivalent to approximately HK\$691,219.27) to the Company in a lump sum after the signing of the First Guarantee Service Agreement.
- The Company provided a letter of guarantee issued by Bank B at the time as requested by Guangxi Construction No.5 Company after the receipt of the services fees.
- Term : 12 months upon the execution of the letter of guarantee.
- Counter-guarantee : Mr. Cai Zhixiong (蔡志雄) and Mr. Cai Jiaqin (蔡家勤), independent third parties and PRC residents, provided counter-guarantee jointly to the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Guangxi Construction No.5 Company, Bank A, Bank B, PRC Co A and their respective ultimate beneficial owners, Ms. Zhang Yun, Mr. Cai Zhixiong and Mr. Cai Jiaqin are third parties independent of the Company and its connected persons and any of their respective associates.

INFORMATION OF GUANGXI CONSTRUCTION NO.5 COMPANY

Guangxi Construction No.5 Company is a limited liability company incorporated in the PRC with a registered capital of RMB1,000 million. Guangxi Construction No.5 Company is principally engaged in the engineering construction sector, including housing construction, highway engineering, bridge engineering and environmental protection engineering. Guangxi Construction No.5 Company is owned as to 99% directly by Guangxi Construction Engineering Group Co., Ltd.* (廣西建工集團有限責任公司) (which in turn is wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會)) and 1% directly by Guangxi Construction Engineering Financial Investment Holdings Co., Ltd.* (廣西建工金控投資有限公司) (which in turn is owned as to (i) approximately 51.91% by Guangxi Construction Engineering Group Co., Ltd.* (廣西建工集團有限責任公司), (ii) approximately 46.43% by Guangxi Construction Engineering Group No.1 Construction Co., Ltd.* (廣西建工集團第一建築工程有限責任公司), (iii) approximately 1.04% by Minmetals International Trust Co., Ltd. (五礦國際信託有限公司) and (iv) approximately 0.62% by China Post Securities Co., Ltd. (中郵證券有限責任公司)).

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

Guangxi Zhuang Autonomous Region is one of the important gateways for the PRC government to promote the development of the western region in the PRC. Guangxi Construction No.5 Company is one of the largest local construction companies in Guangxi, which is accredited with various qualifications, such as the highest ranked general contracting qualification in construction engineering and Class A qualification for Architectural Engineering Design (設計甲級). By providing guarantee services to Guangxi Construction No.5 Company, the Group will build up long-term business relationship with Guangxi Construction No.5 Company which will be beneficial to the strengthening of our operating business as well as to our brand building in Guangxi. Therefore, the Directors expect that such cooperation with Guangxi Construction No.5 Company will bring to the Group more business opportunities to work with companies in Guangxi. Further, the Directors are of the view that the service fees to be obtained from Guangxi Construction No.5 Company is with market practice.

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 has been provision of guarantee to Guangxi Construction No.5 Company by the Company pursuant to the First Guarantee Service Agreement within the past 12 months, and thus pursuant to Rule 14.22 of the Listing Rules, this transaction 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).

The First Guarantee Service Agreement does not constitute a notifiable transaction of the Company under Chapter 14 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 provision of guarantee pursuant to the First Guarantee Service Agreement on an aggregate basis exceeds 5% but is less than 25%, the provision of the Guarantee contemplated under the Guarantee Service Agreement, together with the previous provision of guarantee pursuant to the First Guarantee Service Agreement constitutes a discloseable transaction 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”	a licensed commercial bank in the PRC
“Bank B”	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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Construction Project”	the construction project taken up by Guangxi Construction No.5 Company and PRC Co A in Guangxi, the PRC
“Director(s)”	the director(s) of the Company
“First Guarantee Service Agreement”	the guarantee service agreement dated 15 August 2019 and entered into between the Company and Guangxi Construction No.5 Company in relation to the provision of the guarantee for an amount of RMB47,726,032 (equivalent to approximately HK\$53,170,713.01)
“Guangxi Construction No.5 Company”	Guangxi Construction Engineering Group No. 5 Architecture and Engineering Co., Ltd.* (廣西建工集團第五建築工程有限責任公司), a company incorporated under the laws of the PRC with limited liability
“Guarantee”	the guarantee to be provided by the Company through the Bank in favour of the relevant authority in the PRC under the Guarantee Service Agreement
“Guarantee Service Agreement”	the guarantee service agreement dated 2 December 2019 and entered into between the Company and Guangxi Construction No.5 Company in relation to the provision of the guarantee for an amount of RMB80,298,000 (equivalent to approximately HK\$89,458,556.15)
“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
“PRC”	the People’s Republic of China
“PRC Co A”	a company incorporated under the laws of the PRC with limited liability which is an independent third party of the Company and its connected persons and any of their respective associates
“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: RMB0.8976.

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

Foshan, the PRC, 2 December 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*