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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)

**INSIDE INFORMATION
POSSIBLE DISCLOSEABLE TRANSACTION
IN RELATION TO THE POTENTIAL DISPOSAL OF
EQUITY INTERESTS IN GUANGDONG YAODA**

POTENTIAL DISPOSAL

Reference was made to the announcement of the Company dated 8 May 2020 regarding, among others, the potential disposal of the equity interest in Guangdong Yaoda. On 31 July 2020, the Board resolved to dispose of the Guangdong Yaoda Equity Interest through formal process of Public Tender. As the Company and Join-Share Financial each holds 14.41% and 7.35% of equity interests in Guangdong Yaoda, respectively, the Company and Join-Share Financial will dispose their equity interests in Guangdong Yaoda through separate Public Tender processes (each with the same tender price per share).

**COMMENCEMENT OF THE PUBLIC TENDER PROCESS FOR THE
POTENTIAL DISPOSAL**

The notice of the public tender in relation to the Potential Disposal will be released on the website of SUAEE at <http://www.csuaee.com.cn> on 4 August 2020. The Public Tender will commence on 4 August 2020 through SUAEE. Interested parties may apply to participate in the Public Tender during such period in accordance with the relevant requirements applicable to the Potential Disposal.

Based on (i) the preliminary appraised value of Guangdong Yaoda as at 31 March 2020; (ii) the audited financial statements of Guangdong Yaoda Group for the year ended 31 December 2019 prepared by Jonten Certified Public Accountants LLP (中天運會計師事務所(特殊普通合夥)); and (iii) the special audited financial report on asset verification (清產核資專項審計報告) of Guangdong Yaoda Group as at 31 March 2020 by Jonten Certified Public Accountants LLP (Guangdong Branch)(中天運會計師事務所(特殊普通合夥)(廣東分所)), the preliminary appraised value for Guangdong Yaoda Equity Interest is approximately RMB114,415,785.89. Therefore, the Board resolved that the preliminary minimum tender price for the Company's Interest and JSF's Interest regarding the Potential Disposal is RMB75,761,344.71 and RMB38,654,441.18, respectively.

The final consideration will depend on the highest tender price offered by the final transferee for the Guangdong Yaoda Equity Interest, but in any event be no less than the preliminary minimum tender price.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangdong Yaoda is owned as to 24.71% by Foshan Financial. Foshan Financial is a substantial shareholder of the Company. Foshan Financial is approximately 79.19% owned by Foshan Public. Hence, both Foshan Financial and Foshan Public are connected persons of the Company. Guangdong Yaoda is an associate of Foshan Financial and hence also a connected person of the Company under Rule 14A.07(4) of the Listing Rules. If the final transferee(s) is/are the connected person(s) of the Company, the Potential Disposal, if materialised, will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements. The Company will comply with the relevant Listing Rules requirements (if applicable).

As the highest applicable percentage ratio set out in the Listing Rules in respect of the Potential Disposal is more than 5% but less than 25%, the Potential Disposal, if materialised, will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As such, the Potential Disposal and the transactions contemplated thereunder, if materialised, will be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

If the final tender price to be offered by the final transferee in the Public Tender constitutes other requirements under Chapter 14 of the Listing Rules, the Company will comply with the relevant Listing Rules requirements.

The valuation method used in the Valuation Report constitutes a Profit Forecast under Rule 14.61 of the Listing Rules. Accordingly, the requirements under Rules 14.60A and 14.62 of the Listing Rules are applicable.

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND OF THE POTENTIAL DISPOSAL

Reference was made to the announcement of the Company dated 8 May 2020 regarding, among others, the potential disposal of the equity interest in Guangdong Yaoda. On 31 July 2020, the Board resolved to dispose of the Guangdong Yaoda Equity Interest by way of Public Tender. As the Company and Join-Share Financial each holds 14.41% and 7.35% of equity interests in Guangdong Yaoda, respectively, the Company and Join-Share Financial will dispose their equity interests in Guangdong Yaoda through separate Public Tender processes (each with the same tender price per share).

INFORMATION OF THE PUBLIC TENDER

Based on (i) the preliminary appraised value of Guangdong Yaoda as at 31 March 2020; (ii) the audited financial statements of Guangdong Yaoda Group for the year ended 31 December 2019 prepared by Jonten Certified Public Accountants LLP (中天運會計師事務所(特殊普通合夥)); and (iii) the special audited financial report on asset verification (清產核資專項審計報告) of Guangdong Yaoda Group as at 31 March 2020 by Jonten Certified Public Accountants LLP (Guangdong Branch) (中天運會計師事務所(特殊普通合夥)(廣東分所)), the preliminary appraised value for Guangdong Yaoda Equity Interest is approximately RMB114,415,785.89. Therefore, the Board resolved that preliminary minimum tender price for the Company's Interest and JSF's Interest for the Potential Disposal is RMB75,761,344.71 and RMB38,654,441.18, respectively.

The final consideration will depend on the highest tender price offered by the final transferee for the Guangdong Yaoda Equity Interest, but in any event be no less than the preliminary minimum tender price.

Pursuant to the articles of association at Guangdong Yaoda, all of other shareholders of Guangdong Yaoda are entitled to a pre-emptive right to acquire the equity interest of Guangdong Yaoda when there is any shareholder intends to dispose.

To be best knowledge and belief of the Directors, as at the date of this announcement:

- (1) save for the following shareholders of Guangdong Yaoda, all of the remaining shareholders of Guangdong Yaoda have indicated that they will not exercise their pre-emptive rights in relation to the disposal of the Company's Interest:

Foshan Financial
Guangdong Weiji
Foshan Qiyun

In the event that the highest tender price offered by the highest bidder in the Public Tender process is the same as the tender price offered by the existing shareholder(s) of Guangdong Yaoda who have not waived their pre-emptive rights in relation to the disposal of the Company's Interest and have participated in the public tender, these existing shareholder(s) of Guangdong Yaoda will be entitled to exercise their pre-emptive rights to become the final transferee of the Company's Interest.

- (2) save for Foshan Financial, all of the remaining shareholders of Guangdong Yaoda have indicated that they will not exercise their pre-emptive rights in relation to the disposal of JSF's Interest.

Upon the expiry of the Public Tender period, Foshan Financial (who has not waived its pre-emptive right in relation to the disposal of JSF's Interest) will be informed of the highest tender price offered by the bidder. If Foshan Financial chooses to offer the same price as the highest tender price and exercise its pre-emptive right, Foshan Financial will become the final transferee; otherwise, the bidder who offers the highest price will become the final transferee.

Description and qualifications of potential bidders

The potential bidders shall satisfy, among others, the following descriptions and qualifications:

Regarding the bidders for the Company's Interest, the potential bidder shall be a state-owned enterprise or a state-controlled enterprise in the PRC established in accordance with the PRC laws and regulations. If the potential bidder is a consortium transferee (which consists more than one entity), one of the entities under such consortium transferee must be a state-owned enterprise or a state-controlled enterprise in the PRC established in accordance with the PRC laws and regulations who would entitle to at least 4% of equity interest of Guangdong Yaoda.

Regarding the bidders for the JSF's Interest, the potential transferee shall be a corporate entity that is incorporated outside of the PRC (for this purpose, this includes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC), and its controlling shareholder has to be a state-owned enterprise or a state-controlled enterprise in the PRC established in accordance with the PRC laws and regulations.

Such qualifications of the potential bidders are imposed per Guangdong Yaoda's requests in order to ensure that Guangdong Yaoda will replenish state-owned capital going forward after the Potential Disposal in order to meet its own business financing needs.

As at the date of this announcement, Guangdong Yaoda is owned as to 24.71% by Foshan Financial, who is a substantial shareholder and connected person of the Company, and is indirectly owned as to 17.65% by Foshan Public via Fuguan, a limited liability company incorporated in Hong Kong (which is an indirectly wholly-owned subsidiary of Foshan Public).

If the final transferee(s) is/are the connected person(s) of the Company, the Potential Disposal, if materialised, will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements.

Commencement of the Public Tender

The Public Tender in respect of the Potential Disposal will commence on 4 August 2020. Interested parties may apply to participate in the Public Tender during such period in accordance with the relevant requirements applicable to the Potential Disposal. Upon the expiry of the tender period, the bidder who offers the highest tender price will be the final transferee if the existing shareholders of Guangdong Yaoda do not exercise their pre-emptive rights. For further information, such as major terms for the Potential Disposal, qualifications required for potential bidders and detailed procedures of the Public Tender process, please refer to the website of SUAEE (<https://www.csuaee.com.cn>).

Conditions precedents for the Potential Disposal

Shareholders and/or potential investors of the Company should note that the final considerations for the Potential Disposal will depend on the final tender price to be offered by the final transferee in the Public Tender process. The Company and Join-Share Financial will enter into formal equity transfer agreement(s) with the final transferee from their respective Public Tender process following the completion of the Public Tender, respectively.

Execution of the formal equity transfer agreement(s) with the final transferee(s) is conditional upon the Company and/or Join-Share Financial having obtained the necessary Shareholders' approval at an extraordinary general meeting of the Company (if necessary) pursuant to the articles of association of the Company, the relevant PRC laws and regulations and the Listing Rules (as applicable).

Completion of the Potential Disposal is condition upon the Company and/or Join-Share Financial having obtained the necessary internal authorisations and approvals, and approvals from the relevant stock exchange (as applicable).

After completion of the Potential Disposal, the Company and Join-Share Financial will cease to have any equity interest in Guangdong Yaoda.

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

The Board considers that finance leasing industry in the PRC has a promising development potential and intends to expand the Group's business in such industry going forward.

At the time of the Company's capital injection into Guangdong Yaoda in June 2019, it was the Board's intention to obtain the controlling stake (i.e. over 50% of the total equity interest in Guangdong Yaoda) by a series of capital injections, which would ultimately result in Guangdong Yaoda becoming a subsidiary of the Group by the end of 2020. This would also help the Group to expand into the finance leasing industry in the PRC. However, in May 2020, the Company was informed by Guangdong Yaoda that (i) its state-owned shareholding shall not be less than 50% in order to meet its own business financing needs; and (ii) the board of directors of Guangdong Yaoda has changed its business focus and resolved to pursue new business development strategies, of which the Board considers they would not be compatible with the Company's current business strategies.

On the other hand, the historical cost of the Group's investment in Guangdong Yaoda Equity Interest was RMB112,572,500. Based on the Valuation Report, the Group is expected to record a gain of not less than approximately RMB9,248,400 (including dividends) (before tax payments) from the Potential Disposal, which is estimated based on the preliminary minimum tender price with the deduction of the investment costs paid by the Group in connection with the Guangdong Yaoda Equity Interest. As such, the Directors are of the view that the net profit from the Potential Disposal is not less than RMB9,248,400 (including dividends) (before tax payments).

Given that (i) Guangdong Yaoda would not be able to become a subsidiary of the Group; (ii) inconsistencies of business development strategies between the Company and Guangdong Yaoda; and (iii) the Group is expected to record a gain from the Potential Disposal, the Board, after due and careful consideration, is of the view that it would not be commercially viable for the Group to further invest in Guangdong Yaoda and thus the Company intends to withdraw its investment from Guangdong Yaoda. Upon completion of the Potential Disposal, the Group will not hold any equity interest in Guangdong Yaoda. In order to facilitate the Company's business expansion to tap into the finance leasing industry in the PRC, the Board intends to use the proceeds from the Potential Disposal to establish a new finance leasing company which will be a subsidiary of the Group.

The Directors are of the view that the Potential Disposal will be carried out upon normal commercial terms which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF GUANGDONG YAODA EQUITY INTEREST

Guangdong Yaoda is a limited liability company established on 6 November 2015 in the PRC. It has a registered capital of RMB425,000,000 and is principally engaged in the business of finance lease and other leasing business.

Set out below is the audited financial information of Guangdong Yaoda Group for the two years ended 31 December 2019 prepared in accordance with the accounting standards of the PRC:

	For the year ended 31 December	
	2018	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Profit before tax	53,591,253.40	64,187,809.50
Profit after tax	<u>40,137,918.15</u>	<u>47,994,718.97</u>

The total assets and net assets of Guangdong Yaoda Group as at 31 December 2019 (audited) were approximately RMB2,302,967,718.57 and RMB581,384,017.16, respectively. The total assets and net assets of Guangdong Yaoda Group as at 31 March 2020 (audited) were approximately RMB2,335,444,372.90 and RMB596,516,374.23, respectively. The preliminary appraised value of the entire equity interest of Guangdong Yaoda as at 31 March 2020 was approximately RMB559,686,800, which was appraised by the independent Valuer.

The final consideration will depend on the highest tender price offered by the final transferee for the Guangdong Yaoda Equity Interest, but in any event be no less than the preliminary minimum tender price.

INFORMATION OF THE INTERESTED PARTIES INVOLVED IN THE PUBLIC TENDER

Foshan Financial is a limited liability company incorporated in the PRC with a registered capital of RMB1,910 million. Foshan Financial is principally engaged in property management and investment and finance related business. Foshan Financial is a substantial shareholder of the Company. Foshan Financial is approximately 79.19% owned by Foshan Public and approximately 20.81% owned by Foshan Finance Bureau of the PRC* (佛山市財政局).

Fuguan is a limited liability company incorporated in Hong Kong. It is principally engaged in property investments and property leasing. Fuguan is an indirectly wholly-owned subsidiary of Foshan Public.

Foshan Public is a limited liability company incorporated in the PRC with a registered capital of RMB2,200 million. Foshan Public is principally engaged in investment, construction and operation of public infrastructure and facilities. Foshan Public is wholly-owned by the State-owned Assets Supervision and Administration Commission of Foshan Municipal Government of the PRC* (佛山市人民政府國有資產監督管理委員會).

Guangdong Weiji is a limited liability company incorporated in the PRC with a registered capital of RMB10 million. Guangdong Weiji is principally engaged in commercial services and building and is owned by Mr. Chen Jinxiang and Ms. Chen Liyao. To the best knowledge and belief of the Directors, the shareholders of Guangdong Weiji are Independent Third Parties.

Foshan Qiyun is a limited liability company incorporated in the PRC with a registered share capital of RMB105 million. Foshan Qiyun is principally engaged in road transportation and public transportation and is ultimately owned by eight individuals, namely, Mr. Chen Hanzhong, Mr. Bu Mingchao, Mr. Lin Sheyuan, Mr. Cai Xinjie, Mr. Xu Huiming, Mr. Li Xiangjian, Ms. Liang Jingpang and Mr. Yi Jiannan. To the best knowledge and belief of the Directors, all of these individuals are Independent Third Parties.

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 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.

Join-Share Financial is a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Guangdong Yaoda is owned as to 24.71% by Foshan Financial. Foshan Financial is approximately 79.19% owned by Foshan Public and it is a substantial shareholder of the Company. Hence, both Foshan Financial and Foshan Public are connected persons of the Company. Guangdong Yaoda is an associate of Foshan Financial and hence also a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

As at the date of this announcement, Guangdong Yaoda is a 24.71% owned subsidiary of Foshan Financial, who is a substantial shareholder and connected person of the Company, and is indirectly owned as to 17.65% by Foshan Public via Fuguan, a limited liability company incorporated in Hong Kong (which is an indirectly wholly-owned subsidiary of Foshan Public).

If the final transferee(s) is/are the connected person(s) of the Company, the Potential Disposal, if materialised, will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules, and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements. The Company will comply with the relevant Listing Rules requirements (if applicable).

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) of the Potential Disposal is more than 5% but less than 25%, the Potential Disposal constitutes a discloseable transaction of the Company and therefore, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

If the final tender price to be offered by the final transferee in the Public Tender constitutes other requirements under Chapter 14 of the Listing Rules, the Company will comply with the relevant Listing Rules requirements.

The valuation method used in the Valuation Report constitutes a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**"). Accordingly, the requirements under Rules 14.60A and 14.62 of the Listing Rules are applicable.

PROFIT FORECAST IN RELATION TO THE VALUATION METHOD

The valuation method used in the Valuation Report constitutes a profit forecast under Rule 14.61 of the Listing Rules (the "**Profit Forecast**"). Accordingly, the requirements under Rules 14.60A and 14.62 of the Listing Rules are applicable.

Pursuant to the Valuation Report, details of the principal assumptions upon which the Profit Forecast was based are as follows:

General Assumptions

1. *Arm's length transaction assumption*

Arm's length transaction assumption assumes that the valuation target to be valued is already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the valuation target on arm's length. Arm's length transaction assumption is the most fundamental assumption for the valuation of assets.

2. *Open market assumption*

Open market assumption assumes that both parties of the asset transaction or the proposed assets transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the assets. The open market assumption is based on the fact that the assets can be traded openly in the market.

3. Continuous use assumption: Continuous use assumption is a hypothesis made on the conditions of the market where the assets are intended to be entered as well as the status of the assets in such market conditions. It is firstly assumed that the valued assets are in use and will be used continuously. Continuous use assumption not only states the market condition or environment of the valued assets but also emphasizes the existing status of assets. Under continuous use assumption, no consideration is given to the conversion of the use of the assets or the use of the assets under the best condition. Thus, the applicable scope of valuation results is subject to restriction.
4. Going concern assumption is a valuation assumption made by taking the overall assets of the enterprise as the valuation target. In the assumption, the enterprise as the business entity could operate legally on a going concern basis in the external environment according to the business objectives based on the existing assets and resource conditions, with the operators of the enterprise being responsible and possessing the capacity to assume duties.

Special Assumptions

1. All the audited financial report, forecast data and other valuation data of Guangdong Yaoda are true, complete, legal and valid;
2. Guangdong Yaoda fully complies with relevant laws, regulations and other policies of the country and operates legally;
3. the management of Guangdong Yaoda has responsibly fulfilled its obligations for the business operation, and has competently implemented effective management; there is no major change in the management and backbone technical personnel;
4. there is no material changes in the laws, regulations, policies and macroeconomic environment of the PRC;
5. there will be no material changes in the political, economic and environment conditions of the area in which the parties to the transaction locate, and all relevant tax rates, tax basis, interest rate and exchange rates are basically consistent with the reality;
6. to derive the profit forecast in the future, necessary analysis, judgement, and adjustment shall be made for the profit forecast of Guangdong Yaoda as provided by the relevant parties, and the reasonable assumptions for the valuation shall be determined on the basis of various possibilities and their effects in the future;
7. the valuation assumes that Guangdong Yaoda's cash flow is generated during the period of each forecast period;
8. it is assumed that the shareholders of Guangdong Yaoda control the leverage ratio of the finance lease company within 8 times as much as the net assets in the future forecast period according to the regulatory measures of the finance lease industry,

and profit distribution will be made to the maximum possible extent if the leverage ratio of Guangdong Yaoda in the future period meets the regulatory requirements (being no more than 8 times). If the leverage ratio is expected to exceed the regulatory requirements, no profit distribution will be made, and all profit will be retained for the valuation target to expand the net assets;

9. it is assumed that balanced investments are made to projects, the duration of projects are consistent with that of projects in the past years, and funds are put into projects on time; the proportion of default of the invested projects is within the reasonable predicted range, and there is no substantial malicious default;
10. this valuation is on the premise of the business model, investment and financing structure and development trend on the reference date of Guangdong Yaoda. There is no major change on future business model and financing channels, and the financing funds of Guangdong Yaoda will be received on time.
11. Guangdong Yaoda makes reasonable improvements and reorganization of the existing assets to enhance profitability. The receivables and payables are collected or made within reasonable period without affecting the operation;
12. the accounting policies adopted in the preparation of this report are basically consistent with that adopted by Guangdong Yaoda in the past years in all material respects;
13. the Valuation Report is made based on the analysis of related financial forecasts provided by the management of Guangdong Yaoda and based on the assumption that such financial forecasts can be achieved for each respective year in the future and meet the operational and financial conditions of Guangdong Yaoda in each respective year;
14. the valuation assumes that it is the perpetual period of operation when the estimated profitability remains stable, and the expected return during the perpetual period is equal to the adjusted value of the return in the last year of the forecast period;
15. there are no other unpredictable and force majeure reasons that may have any material adverse effect; and
16. extraordinary reasons of inflation are not taking into account when preparing the Valuation Report.

Confirmations

In accordance with Rule 14.62(2) of the Listing Rules, the Company has engaged its reporting accountants, KPMG, to report on the calculations in which the Valuation Report was based. KPMG has reported to the Directors that so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set

out in the Valuation Report. The reporting accountants' work does not constitute any valuation of Guangdong Yaoda or an expression of an audit or review opinion on the valuation of Guangdong Yaoda.

The Directors have reviewed the assumptions based upon which the Valuation Report was prepared. The Directors have also considered the report from KPMG. On the basis of the above, the Directors confirm that the Valuation Report prepared by the Valuer has been made after due and careful enquiry.

A report from KPMG dated 31 July 2020 in compliance with Rule 14.62(2) of the Listing Rules and a letter from the Board in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Guangdong Jingxin Real Estate & Land & Assets Appraisal Co., Ltd (廣東京信房地產土地資產評估有限公司)	Professional valuer
KPMG	Certified Public Accountants

To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiries, each of the Valuer and KPMG is an Independent Third Party and is not a connected person of the Group. As at the date of this announcement, neither the Valuer nor KPMG has any shareholding, whether directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Valuer and KPMG has given and has not withdrawn its respective written consent to the issue of this announcement with inclusion of its name, qualifications, report and opinions in the form and context in which they are included.

Shareholders and potential investors of the Company should be aware that the Potential Disposal are subject to a number of conditions being satisfied, and consequently the Potential Disposal may or may not proceed. Further, as there may not be any final transferee for the Guangdong Yaoda Equity Interest, the Potential Disposal may or may not proceed. The Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

GENERAL

The Board wishes to emphasise that as at the date of this announcement, the Company is not under any obligation to proceed with the public tender and the public tender may or may not happen. No binding agreement with respect to the Potential Disposal has been entered into by the Group as at the date of this announcement and there is no assurance that any definitive transaction will materialise. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

As the Group may or may not proceed with the public tender and it may or may not enter into a binding agreement with respect to the Potential Disposal, and even if it decides to do so, the Potential Disposal may or may not proceed to completion for various reasons and accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless otherwise defined, the capitalised terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 on 23 May 2003 and the H Shares of which are listed on the Stock Exchange (Stock Code: 1543)
“Company’s Interest”	the 14.41% of equity interest of Guangdong Yaoda owned by the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Foshan Financial”	Foshan Financial Investment Holding Co., Ltd.* (佛山市金融投資控股有限公司), a company incorporated in the PRC with limited liability on 1 March 2010, and is a substantial shareholder and connected person of the Company

“Foshan Public”	Foshan Public Utilities Holdings Co., Ltd.* (佛山市公用事業控股有限公司), a company incorporated under the laws of the PRC with limited liability on 9 August 2006, and is a controlling shareholder of Foshan Financial
“Foshan Qiyun”	Foshan Qiche Yunshu Group Co., Ltd* (佛山市汽車運輸集團有限公司), a company incorporated under the laws of the PRC with limited liability on 1 January 1950
“Fuguan”	Lucky Crown Holdings Limited (福冠集團有限公司), a limited liability company incorporated in Hong Kong on 22 March 2017, which is an indirectly wholly-owned subsidiary of Foshan Public
“Group”	collectively, the Company and its subsidiaries
“Guangdong Weiji”	Guangdong Weiji Investments Co., Ltd* (廣東維基投資有限公司), a company incorporated under the laws of the PRC with limited liability on 2 August 2012
“Guangdong Yaoda”	Guangdong Yaoda Financial Leasing Company Limited* (廣東耀達融資租賃有限公司), a company incorporated under the laws of the PRC with limited liability on 6 November 2015, which is a connected person of the Company
“Guangdong Yaoda Equity Interest”	collectively, the Company’s Interest and JSF’s Interest
“Guangdong Yaoda Group”	collectively, Guangdong Yaoda and its subsidiary
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Shareholders that have material interest in the Potential Disposal
“Independent Third Party(ies)”	individual(s) or company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) the Company as far as the Directors are aware after having made all reasonable enquiries

“Join-Share Financial”	Join-Share Financial Holdings Co., Limited (中盈盛達金融控股有限公司), a company incorporated in Hong Kong with limited liability on 22 November 2018 and which is a direct wholly-owned subsidiary of the Company
“JSF’s Interest”	the 7.35% of equity interest of Guangdong Yaoda owned by Join-Share Financial
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Potential Disposal”	the disposal of Guangdong Yaoda Equity Interest by the Company and Join-Share Financial through Public Tender
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
“Public Tender”	a public tender process carried out via SUAEE in relation to the Potential Disposal
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of share(s) of the Company
“Shares”	collectively, the H Shares and the Domestic Shares
“SMEs”	small-and-medium-sized enterprises
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAEE”	Southern United Assets & Equity Exchange (南方聯合產權交易中心)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Valuation Report”	the valuation report issued by the Valuer dated 1 June 2020
“Valuer”	Guangdong Jingxin Real Estate & Land & Assets Appraisal Co., Ltd (廣東京信房地產土地資產評估有限公司)
“%”	percent

For the purpose of this announcement and for illustrative purpose only, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1: HK\$1.10957.

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

Foshan, the PRC, 31 July 2020

As of 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, Ms. Gu Lidan, Mr. Luo Zhenqing, Mr. Huang Guoshen and Mr. Zhang Deben; and the independent non-executive directors of the Company are Mr. Wu Xiangneng, Mr. Leung Hon Man and Mr. Liu Heng.

** For identification purpose only*

No assurance is given that any formal agreement will be entered into, but the Company will provide relevant updates concerning this matter from time to time when appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the securities of the Company.

Appendix I — Report from KPMG, the Company’s reporting accountants

The following is the text of a report received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for inclusion in this announcement.

REPORT ON THE DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF GUANGDONG YAODA FINANCIAL LEASING COMPANY LIMITED* (廣東耀達融資租賃有限公司)

TO THE BOARD OF DIRECTORS OF 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)

We refer to the discounted future cash flows on which the business valuation (the “**Valuation**”) dated 1 June 2020 prepared by Guangdong Jingxin Real Estate & Land & Assets Appraisal Co., Ltd.*(廣東京信房地產土地資產評估有限公司) in respect of the appraisal of the fair value of Guangdong Yaoda Financial Leasing Company Limited* (廣東耀達融資租賃有限公司) (“**Guangdong Yaoda**”) as at 31 March 2020 is based. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Directors’ Responsibilities

The directors of 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) (the “**Directors**”) are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of Guangdong Yaoda or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

* *The official name of this entity is in Chinese. The English translation of the name is for identification only.*

KPMG

Certified Public Accountants

Hong Kong

31 July 2020

Appendix II — Letter from the Board

31 July 2020

Listing Department
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Dear Sirs,

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) (the “Company”)

Stock code: 1543

Transaction: Possible Discloseable Transaction in relation to the Potential Disposal of equity interests in Guangdong Yaoda

Subject: Confirmation in relation to profit forecast pursuant to Rule 14.62(3) of the Listing Rules

We refer to the announcement of the Company dated 31 July 2020 (the “**Announcement**”) relating to the captioned matters. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

We refer to the Valuation Report dated 1 June 2020 issued by the Valuer regarding the valuation of all assets and liabilities of Guangdong Yaoda as at 31 March 2020 and prepared based on income approach, which constitutes a profit forecast under Rule 14.61 of the Listing Rules.

We have discussed with the Valuer about different aspects including the bases and assumptions based upon which the Valuation Report has been prepared, and reviewed the Valuation Report for which the Valuer is responsible. We have also considered the report from KPMG, our reporting accountants, regarding whether the Profit Forecast, so far as the calculations are concerned, have been properly complied in all material respects in accordance with the bases and assumptions as set out in the Valuation Report.

Pursuant to the requirements of Rule 14.62(3) of the Listing Rules, the Board is of the opinion that the Valuation Report prepared by the Valuer has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of the Board of
Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*
Wu Liejin
Chairman

* *For identification purpose only*