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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)**

## **CHANGE IN USE OF PROCEEDS**

Reference is made to the prospectus of Guangdong Join-Share Financing Guarantee Investment Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 11 December 2015 (the “**Prospectus**”) and the announcement of the Company dated 22 December 2015 in relation to offer price and allotment results of the Global Offering. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

### **USE OF PROCEEDS**

It was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus that the Company intended to use the net proceeds of the Global Offering (assuming an Offer Price of HK\$1.30 per Offer Share and after deduction of underwriting fees and estimated expenses in connection with the Global Offering, the net proceeds was approximately HK\$283.6 million) for the following purposes:

- approximately 54%, or HK\$153.1 million, is expected to be used to develop financing guarantee business, establish new subsidiaries and branches (including those in Dongguan, Yunfu and Zhuhai, Guangdong province) and increase the capital base for financing guarantee and expand the Group’s business in order to enhance competitive advantage in the financing guarantee market;
- approximately 22%, or HK\$62.4 million, is expected to be used to develop SMEs lending business. The Group plans to establish new subsidiaries and increase capital base in order to expand the Group’s SME lending business and improve its status in the market;
- approximately 17%, or HK\$48.2 million, is expected to be used to develop finance lease business, establish new finance lease subsidiaries and explore and optimise related industries. The Group plans to establish a finance lease company in 2016; and

- approximately 7%, or HK\$19.9 million, is expected to be used to supplement operating capital and other business expenses.

The actual net proceeds from the listing of the Company's H shares on the Stock Exchange on 23 December 2015 (based on the actual Offer Price of HK\$1.36 per H Share, after deducting underwriting fees and commissions and listing related expenses, and excluding the amount remitted to the National Council for Social Security Fund of the PRC (全國社會保障基金理事會) in accordance with the relevant PRC regulations regarding the reduction of state-owned shares) amounted to approximately HK\$340.3 million. As at the date of this announcement, the Company has utilised approximately HK\$26.2 million of the actual net proceeds from the Global Offering, of which (i) approximately HK\$23.9 million has been utilised to establish a company, namely Yunfu Yuecai Puhui Financing Guarantee Co., Ltd\* (雲浮市粵財普惠融資擔保股份有限公司) with Guangdong Financing Re-Guarantee Company Limited\* (廣東省融資再擔保有限公司), Yunfu Rongda Asset Operations Company Limited\* (雲浮市融達資產經營有限公司) and Guangdong Wenshi Investment Company Limited\* (廣東溫氏投資有限公司) for the purpose of providing financing and non-financing guarantee and financial consulting services for individuals and SMEs in Yunfu; and (ii) approximately HK\$2.3 million has been utilised for supplementing operating capital and other business expenses.

## CHANGES IN USE OF PROCEEDS

On 16 May 2016 (after trading hours), the Board has resolved to change the unutilised proceeds from the Global Offering. Breakdown of the use of the proceeds as stated in the Prospectus and the revised allocation of the actual net proceeds are summarised below:

	Original allocation (adjusted on a pro-rata basis according to the actual net proceeds from the Global Offering) <i>HK\$ million</i>	Amount utilised as of the date of this announcement <i>HK\$ million</i>	Revised allocation <i>HK\$ million</i>	Remaining balance after revised allocation <i>HK\$ million</i>
1. Develop financing guarantee business, establish new subsidiaries and branches (including those in Dongguan, Yunfu and Zhuhai, Guangdong province) and increase the capital base for financing guarantee and expand the Group's business in order to enhance competitive advantage in the financing guarantee market	183.7	23.9	151.4	127.5

	Original allocation (adjusted on a pro-rata basis according to the actual net proceeds from the Global Offering) <i>HK\$ million</i>	Amount utilised as of the date of this announcement <i>HK\$ million</i>	Revised allocation <i>HK\$ million</i>	Remaining balance after revised allocation <i>HK\$ million</i>
2. Develop SMEs lending business, establish new subsidiaries and increase capital base in order to expand the Group's SME lending business and improve its status in the market	74.9	–	74.9	74.9
3. Develop finance lease business, establish new finance lease subsidiaries and explore and optimise related industries and establish a finance lease company in 2016	57.9	–	57.9	57.9
4. Contribution to the registered capital of a new wholly-owned subsidiary to provide capital management services	–	–	32.3	32.3
5. Supplement operating capital and other business expenses	23.8	2.3	23.8	21.5
Total	<u>340.3</u>	<u>26.2</u>	<u>340.3</u>	<u>314.1</u>

## REASONS FOR THE CHANGES IN USE OF PROCEEDS

The amount allocated for the development of financing guarantee business and establishment of new subsidiaries and branches (including those in Dongguan, Yunfu and Zhuhai, Guangdong province) has not been fully utilised. Given that the need of funds for investment in financing guarantee business in Dongguan, Zhuhai and Guangdong is less than originally anticipated, with a view to improving efficiency in the use of the Company's actual net proceeds from the Global Offering, the Board resolved to reallocate a portion of the unutilised actual net proceeds of approximately HK\$32.3 million originally allocated to the development of financing guarantee business to the contribution to the registered capital of a new wholly-owned subsidiary of the Company which will provide capital management services for existing and new customers with the need for such services. The said new subsidiary was established on 27 April 2016 with the registered capital of RMB30 million, of which RMB3 million was funded by our internal resources and RMB27 million (equivalent to approximately HK\$32.3 million) will be funded by the reallocated actual net proceeds from the Global Offering.

The above changes in the use of proceeds will allow the Company to deploy its financial resources more effectively and the Board considers that such changes will enhance future business opportunities, which will be more in line with the current business needs of the Company and are beneficial to the continued and rapid development of the Group, so as to strengthen the Group's overall market position as an integrated financial service player in the industry.

The Board confirms that there is no material change in the nature of business as set out in the Prospectus and considers that the above change in the use of proceeds is in the best interest of the Company and its Shareholders as a whole.

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

Foshan, the PRC, 16 May 2016

*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.*

*\* For identification purposes only*