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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Guangdong Join-Share Financing Guarantee Investment Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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)

- (I) PROPOSED INVESTOR SUBSCRIPTION AND THE PROPOSED ISSUE OF THE INVESTOR SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE;**
(II) PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE AND CONNECTED TRANSACTION INVOLVING THE PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES TO CONNECTED PERSONS UNDER SPECIFIC MANDATE;
(III) PLACING OF NEW H SHARES UNDER SPECIFIC MANDATE;
(IV) PROPOSED AMENDMENTS TO THE ARTICLES;
AND
(V) NOTICES OF THE EGM, H SHAREHOLDERS CLASS MEETING AND DOMESTIC SHAREHOLDERS CLASS MEETING

Financial Adviser to the Company



廣發融資(香港)有限公司
GF CAPITAL (HONG KONG) LIMITED

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders



Gram Capital Limited
嘉林資本有限公司

Sole Placing Agent



廣發證券(香港)經紀有限公司
GF SECURITIES (HONG KONG) BROKERAGE LIMITED

A letter from the Board is set out on pages 1 to 36 of this circular. A letter from the Independent Board Committee is set out on pages 37 to 38 of this circular. A letter from Gram Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 39 to 49 of this circular.

A notice convening the EGM of the Company to be held at 5 p.m. on Friday, 17 November 2017 at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 70 to 75 of this circular. A notice of the H Shareholders Class Meeting to be held at 3:30 p.m. on Friday, 17 November 2017 at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 76 to 81 of this circular. A notice of the Domestic Shareholders Class Meeting to be held at 2 p.m. on Friday, 17 November 2017 at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 82 to 87 of this circular. The reply slips and proxy forms for use at the EGM and the Class Meetings are also enclosed herein.

Whether or not you are able to attend the EGM and/or the Class Meetings, you are requested to complete the enclosed proxy forms in accordance with the instructions printed thereon and return the same to the Company at Unit 2202-2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC (in case of any holders of Domestic Shares) or the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of any holders of H Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding of the EGM and Class Meetings or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM and/or Class Meetings or any adjournment thereof should you so wish and in such event, the relevant form(s) of proxy shall be deemed to be revoked. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Saturday, 28 October 2017.

30 September 2017

* For identification purposes only

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DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this circular shall have the meanings as follows:

“%”	per cent
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any weekday (excluding Saturday, Sunday, public holiday in Hong Kong or PRC and any day on which a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9 a.m. and 4 p.m.) on which banks generally are open for business in Hong Kong and the PRC
“Class Meetings”	the Domestic Shareholders Class Meeting and H Shareholders Class Meeting
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Subscribers”	Mr. Wu Liejin, Mr. Xie Yongdong, Mr. Wang Wei, Mr. Liang Yi, Mr. Zhang Deben, Mr. Ou Weiming, Ms. Lu Haoming and Mr. Zheng Zhengqiang
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB1.00 each in the share capital of the Company
“Domestic Shareholder(s)”	the holder(s) of Domestic Shares

DEFINITIONS

“Domestic Shareholders Class Meeting”	the class meeting of the Domestic Shareholders to be convened to consider, and if thought fit, to approve the Investor Subscription Agreement, the Management Subscription Agreements, the Placing Agreement and the transactions contemplated thereunder, the grant of the proposed Specific Mandate, the proposed increase in the issued share capital of the Company for the purpose of the Investor Subscription, the Management Subscriptions, the Placing Agreement and the proposed amendments to the Articles
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve the Investor Subscription Agreement, the Management Subscription Agreements, the Placing Agreement and the transactions contemplated thereunder, the grant of the proposed Specific Mandate, the proposed increase in the issued share capital of the Company for the purpose of the Investor Subscription, the Management Subscriptions, the Placing Agreement and the proposed amendments to the Articles
“First Tranche Placing”	the placing of the First Tranche Placing Shares by the Placing Agent pursuant to the Placing Agreement
“First Tranche Placing Completion Date”	the date of the Investor Subscription Completion or such other date as the Company and the Placing Agent may agree in writing
“First Tranche Placing Shares”	no more than 66,932,000 new H Shares to be placed by the Placing Agent for and on behalf of the Company under the Placing Agreement
“Foshan Venture Growth”	Foshan Venture Growth Investment Centre L.P. (佛山創業成長投資中心 (有限合夥)), a limited partnership established in the PRC which is directly holding 39,920,000 Domestic Shares as at the Latest Practicable Date
“Fuside”	Foshan Fuside Infrastructure Investment Co., Ltd. (佛山市富思德基礎設施投資有限公司), a company established in the PRC which is directly holding 33,002,680 Domestic Shares as at the Latest Practicable Date and is owned as to 40% by the Subscriber and as to 60% by Guangdong Foshan Power Co., Ltd. (廣東佛山電力股份有限公司), a state-controlled entity in the PRC.

DEFINITIONS

“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the issue of the Management Subscription Shares to the Connected Subscribers under the Specific Mandate and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Guangdong Yuecai”	Guangdong Yuecai Venture Investment Co., Ltd* (廣東粵財投資控股有限公司), an existing Shareholder which holds 16,758,818 Domestic Shares as at the Latest Practicable Date and a company which holds 100% of Yuecai HK
“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong dollars
“H Shareholder(s)”	the holder(s) of H Shares
“H Shareholders Class Meeting”	the class meeting of the H Shareholders to be convened to consider, and if thought fit, to approve the Investor Subscription Agreement, the Management Subscription Agreements, the Placing Agreement and the transactions contemplated thereunder, the grant of the proposed Specific Mandate, the proposed increase in the issued share capital of the Company for the purpose of the Investor Subscription, the Management Subscriptions, the Placing Agreement and the proposed amendments to the Articles
“HK\$” or “Hong Kong Dollar”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders on the issue of the Management Subscription Shares to the Connected Subscribers under the Specific Mandate and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholder(s)”	Shareholders who are allowed to vote on the resolutions approving the issue of the Investor Subscription Shares and the Management Subscription Shares under the Specific Mandate and the transactions contemplated thereunder
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company, any of the Directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Investor Subscription”	the subscription of the Investor Subscription Shares by the Subscriber (or the entities nominated by it) pursuant to the Investor Subscription Agreement
“Investor Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 15 May 2017 in relation to the Investor Subscription
“Investor Subscription Completion”	completion of the Investor Subscription in accordance with the terms of the Investor Subscription Agreement
“Investor Subscription Completion Date”	the date falling on the third Business Day after completion and issue of the capital verification report by a qualified auditor engaged by the Company (or such other date as the Company and the Subscriber may agree in writing)
“Investor Subscription Domestic Shares”	223,096,020 new Domestic Shares proposed to be issued by the Company to the Subscriber (and/or its nominee(s)) on terms and subject to the conditions set out in the Investor Subscription Agreement
“Investor Subscription H Shares”	74,364,000 new H Shares proposed to be issued by the Company to the Subscriber (and/or its nominee(s)) on terms and subject to the conditions set out in the Investor Subscription Agreement
“Investor Subscription Price”	the price for subscription of the Investor Subscription Share(s) to be issued under the Investor Subscription Agreement, and the Investor Subscription Price for the Investor Subscription Domestic Shares and the Investor Subscription Price for the Investor Subscription H Shares shall be construed accordingly

DEFINITIONS

“Investor Subscription Share(s)”	the Investor Subscription Domestic Shares and the Investor Subscription H Shares
“Latest Practicable Date”	means 28 September 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	the long stop date of the Investor Subscription Agreement, being 31 December 2017 (or such other date as the relevant parties to the relevant agreement may agree in writing)
“Management Subscribers”	a total of 76 management personnel of the Company including the Connected Subscribers. For further details of the Management Subscribers, please refer to the sub-section headed “Information on the Management Subscribers” in this circular
“Management Subscription Agreements”	a total of 76 management subscription agreements entered into between the Company and each of the Management Subscribers on 15 May 2017, the core terms of which are substantially similar, save and except for the numbers of Management Subscription Shares being subscribed by each Management Subscriber
“Management Subscription Completion”	completion of the Management Subscription in accordance with the terms of the respective Management Subscription Agreement
“Management Subscription Price”	the price for subscription of the Management Subscription Share(s)
“Management Subscription Shares”	10,000,000 new Domestic Shares in aggregate proposed to be issued by the Company to the Management Subscribers under the Specific Mandate on terms and subject to the conditions set out in the respective Management Subscription Agreements
“Management Subscription(s)”	the respective subscription(s) of the Management Subscription Shares by the Management Subscribers pursuant to the Management Subscription Agreements

DEFINITIONS

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Placee(s)”	any individuals, corporate, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	GF Securities (Hong Kong) Brokerage Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activity and type 4 (advising on securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement dated 17 July 2017 and entered into between the Company and the Placing Agent in relation to the Placing, as amended and supplemented by the Supplemental Placing Agreement
“Placing Completion”	completion of the First Tranche Placing and/or the Second Tranche Placing in accordance with the terms of the Placing Agreement
“Placing Price”	HK\$1.42 per Placing Share
“Placing Shares”	the First Tranche Placing Shares and the Second Tranche Placing Shares, being a total of not more than 186,666,000 new H Shares to be placed by the Placing Agent for and on behalf of the Company under the Placing Agreement
“Possible Shareholders’ Transaction”	the transaction dated 26 July 2017 relating to the conditional sale of 70,000,000 H Shares held by Yuecai HK to the Subscriber
“Possible Shareholders’ Transaction Completion”	the completion of the Possible Shareholders’ Transaction
“PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Price Determination Agreement”	the price determination agreement dated 29 June 2017 entered into between the Company and the Subscriber, pursuant to which the parties thereto agreed to fix the Investor Subscription Price for each Investor Subscription Domestic Share

DEFINITIONS

“Public Float Requirement”	the minimum 25% public float requirement under Rule 8.08(1)(a) of the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“Second Tranche Placing Completion Date”	the date of the Investor Subscription Completion or the date of the Possible Shareholders’ Transaction Completion, whichever is later, or such other date as the Company and the Placing Agent may agree in writing
“Second Tranche Placing”	the placing of the Second Tranche Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Second Tranche Placing Shares”	no more than 119,734,000 new H Shares to be placed by the Placing Agent for and on behalf of the Company under the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	collectively, the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to allot and issue the Investor Subscription Shares, the Management Subscription Shares or the Placing Shares (as the case may be) to be sought at the EGM and Class Meetings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Foshan Financial Investment Holdings Co., Ltd.* (佛山市金融投資控股有限公司), a limited liability company established under the laws of the PRC
“Supervisor(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Placing Agreement”	the supplemental placing agreement dated 28 September 2017 and entered into between the Company and the Placing Agent to amend and supplement certain provisions of the Placing Agreement

DEFINITIONS

“Valuation Report”	the valuation report issued on 23 June 2017 by an independent valuer nominated by the Subscriber on the net asset value of the Company as at 31 December 2016
“Yuecai HK”	Guangdong Finance Investment International Co., Limited (粵財控股香港國際有限公司), an existing Shareholder which held 89,800,000 H Shares as at the Latest Practicable Date, and a company which is owned as to 100% by Guangdong Yuecai

Unless otherwise specified in this circular and for the purpose of illustration only, RMB has been translated to HK\$ at the rate of HK\$1=RMB0.88507. No representation has been made by the Company that any amount expressed in foreign currency in this circular has been, could have been or could be converted at the above rate or any other rates at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wu Liejin (*Chairman*)

Mr. Xie Yongdong

Non-executive Directors:

Mr. Zhang Minming

Ms. Gu Lidan

Ms. Wu Yanfen

Mr. Huang Guoshen

Independent Non-executive Directors:

Mr. Wu Xiangneng

Mr. Leung Hon Man

Mr. Liu Heng

Registered office:

Unit 2202–2212, 22/F, Chuangye Building

No. 215 Fenjiang Middle Road

Foshan, Guangdong

PRC

Principal place of business in Hong Kong:

18/F, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

30 September 2017

To Shareholders

Dear Sir or Madam,

**(I) PROPOSED INVESTOR SUBSCRIPTION AND THE PROPOSED ISSUE OF THE INVESTOR SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE;
(II) PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE AND CONNECTED TRANSACTION INVOLVING THE PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES TO CONNECTED PERSONS UNDER SPECIFIC MANDATE;
(III) PLACING OF NEW H SHARES UNDER SPECIFIC MANDATE;
(IV) PROPOSED AMENDMENTS TO THE ARTICLES;
AND
(V) NOTICES OF THE EGM, H SHAREHOLDERS CLASS MEETING AND DOMESTIC SHAREHOLDERS CLASS MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 15 May 2017, 25 May 2017, 29 June 2017, 18 July 2017, 26 July 2017 and 28 September 2017 in relation to, among other things, (i) the proposed Investor Subscription; (ii) the proposed Management Subscriptions (including the Management Subscriptions that involve the proposed issue of Management Subscription Shares to Connected Subscribers which constitute connected transactions of the Company under the Listing Rules); (iii) the proposed Placing; and (iv) the proposed amendments to the Articles.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further information on (i) the Investor Subscription Agreement, the Management Subscription Agreements and the transactions respectively contemplated thereunder; (ii) the proposed issue of the Investor Subscription Shares and the Management Subscription Shares under the Specific Mandate; (iii) the Placing; (iv) the proposed amendments to the Articles to give effect to the Investor Subscription Agreement, the Management Subscription Agreements, the Placing Agreement and the transactions contemplated thereunder and other amendments to the Articles as proposed by the Board; (v) a letter of advice from the Independent Board Committee to the Independent Shareholders; (vi) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; and (vii) the notices of the EGM and the Class Meetings.

PROPOSED INVESTOR SUBSCRIPTION AND THE PROPOSED ISSUE OF THE INVESTOR SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE

On 15 May 2017 (after trading hours), the Company and the Subscriber entered into the Investor Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Investor Subscription Shares in cash at the Investor Subscription Price. Set forth below are the major terms of the Investor Subscription Agreement:

The Subscriber

Foshan Financial Investment Holdings Co., Ltd.* (佛山市金融投資控股有限公司)

Number of the Investor Subscription Shares to be issued

Pursuant to the Investor Subscription Agreement, the Subscriber has conditionally agreed to subscribe for the Investor Subscription Shares in cash comprising (i) 223,096,020 new Domestic Shares; and (ii) 74,364,000 new H Shares at the respective subscription prices as fixed in accordance with the manners described below.

As at the Latest Practicable Date, the Investor Subscription Domestic Shares represent approximately 28.85% of the existing issued Domestic Shares, the Investor Subscription H Shares represent approximately 25.35% of the existing issued H Shares, and the Investor Subscription Shares in aggregate represent approximately 27.89% of the existing issued share capital of the Company.

Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Investor Subscription Completion and without taking into account the Management Subscription Shares to be issued pursuant to the Management Subscription Agreements, and the Placing Shares to be issued under the Placing Agreement, (i) the Investor Subscription Domestic Shares will represent approximately 22.39% of the enlarged issued Domestic Shares; (ii) the Investor Subscription H Shares will represent approximately 20.22% of the enlarged issued H Shares; and (iii) the Investor Subscription Shares in aggregate will represent approximately 21.81% of the enlarged issued share capital of the Company.

LETTER FROM THE BOARD

Subject to the satisfaction of the conditions precedent of the Investor Subscription Agreement, the receipt of the Investor Subscription Price and the completion of the capital verification by the Company, the Investor Subscription Shares will be allotted and issued to the Subscriber and/or its nominee(s), in accordance with the Investor Subscription Agreement upon Investor Subscription Completion.

Investor Subscription Price

In respect of the Investor Subscription Domestic Shares

Since there is no open market for trading in, and hence, for determining the market value of, the Domestic Shares, pursuant to the Investor Subscription Agreement, the Company and the Subscriber agreed that the Investor Subscription Price for each Investor Subscription Domestic Share is to be determined by reference to the net asset value of the Company per Share as at 31 December 2016 based on the data derived from (i) the audited consolidated financial information of the Company for the year ended 31 December 2016; and (ii) the Valuation Report to be issued by an independent valuer nominated by the Subscriber. Given that there existed a time gap of around six months from 31 December 2016 and the date of the Investor Subscription Agreement, in addition to the net asset value of the Company as at 31 December 2016, when determining the Investor Subscription Price for each Investor Subscription Domestic Share, the Board also assessed, where relevant, other considerations including the recent trading performance of the H Shares, the prevailing market conditions, the non-listing status of the new Domestic Shares, the dividends and/or distribution payable by the Company since 31 December 2016 and up to the issue of the Investor Subscription Domestic Shares as well as the strategic benefit afforded to the Company that may result from the proposed Investor Subscription. As advised by the PRC legal adviser of the Company, the basis adopted for determining the Investor Subscription Price for the Investor Subscription Domestic Share does not violate any relevant PRC laws and regulations.

On 23 June 2017, the Valuation Report was issued by an independent valuer nominated by the Subscriber, and such report has been filed with the State-owned Assets Supervision and Administration Commission of Foshan People's Government* (佛山市人民政府國有資產監督管理委員會). Based on the data derived from the audited consolidated financial statements of the Company as at 31 December 2016, the net asset value per Share is RMB1.354. Based on the data derived from the Valuation Report, the net asset value of the Company per Share is RMB1.349. After arm's length negotiations and considering the magnitude of the difference between the aforementioned net asset values, the Company and the Subscriber decided the Investor Subscription Price with reference to the net asset value of the Company per Share of RMB1.349 based on the data derived from the Valuation Report. Accordingly, on 29 June 2017, the Company and the Subscriber entered into the Price Determination Agreement, pursuant to which the parties thereto agreed, having considered the above factors, in particular the impact of the final dividend of RMB0.085 per Share payable to all Shareholders for the year ended 31 December 2016, to fix the Investor Subscription Price at RMB1.264 (approximately HK\$1.428 at the exchange rate of HK\$1: RMB0.88507) per Investor Subscription Domestic Share.

LETTER FROM THE BOARD

Further, under the Price Determination Agreement, in the circumstances where the Board declares any dividend or distribution in respect of the financial year ended 31 December 2017 (the “**Potential 2017 Dividend**”), the Subscriber undertakes (and will procure its nominee to undertake) that it and its nominee (in the capacity as the holder(s) of the Investor Subscription Domestic Shares) will waive their respective entitlement to, and will not participate in, such portion of the Potential 2017 Dividend to the extent that such portion is attributable to the net profit of the Company accrued for the period from 1 January 2017 to 30 June 2017 (both days inclusive) (the “**Relevant Period**”) and is attaching to the Investor Subscription Domestic Shares (the “**Dividend Waiver**”). The entitlement to the Potential 2017 Dividend for the Relevant Period which was agreed to be waived by the Subscriber shall be the amount of the Potential 2017 Dividend multiplied by a fraction, the numerator of which shall be the profit attributable to the equity shareholders of the Company as shown on the consolidated statement of profit or loss of the Company for the six months ended 30 June 2017 and the denominator of which shall be the profit attributable to the equity shareholders of the Company as shown on the audited consolidated statement of profit or loss of the Company for the year ending 31 December 2017 (the “**Waived Dividend**”). In the event that the Company convenes any Shareholders’ meeting(s) to consider, and if thought fit, to approve, the resolution(s) in relation to the Potential 2017 Dividend, the Subscriber undertakes (and will procure its nominee to undertake) that (i) it and its nominee will not raise objection to the exclusion of their rights to participate in the relevant portion of the dividend and/or distribution declared which is attributable to the net profit of the Company for the Relevant Period and is attaching to the Investor Subscription Domestic Shares; and (ii) it and its nominee will vote in favour of the relevant resolution(s) if they have voting rights. Assuming that the Board declares the distribution of the Potential 2017 Dividend to the Shareholders and that the Potential 2017 Dividend would be approved by the Shareholders at general meeting, the amount of dividend that would be payable to the Subscriber will be such amount after deducting the Waived Dividend, and that the amount of dividend to be received by other Shareholders will not be affected by the Waived Dividend. The Waived Dividend would remain in the account of “Retained Earnings” of the Company. The Board has the absolute discretion to decide whether to declare or distribute any dividend for each financial year. There is no assurance that dividend of any amount will be declared or distributed for the year ending 31 December 2017. The amount of any final or special dividend to be declared or paid (if any) will depend on, among other things, whether the Group has any distributable profits for the financial year ending 31 December 2017.

The Board required the Subscriber to give the Dividend Waiver having taken into account that the Company and the Subscriber had already agreed to use the net asset value of the Company as at 31 December 2016 as the key basis for determining the Investor Subscription Price for the Investor Subscription Domestic Shares, and thus, allowing the Subscriber to participate in the distribution of the Potential 2017 Dividend (if any) for the Relevant Period which was not relevant to the net asset value of the Company as at 31 December 2016 and during which the Subscriber was not the Shareholder, was not in the commercial interest to the Company nor was it considered as fair to the existing shareholders of the Domestic Shares. As a result, after arm’s length negotiation, the Subscriber agreed to additionally give the Dividend Waiver in the Price Determination Agreement.

LETTER FROM THE BOARD

The Dividend Waiver was not extended to the Investor Subscription H Shares. The Board considered that the Investor Subscription Price for each Investor Subscription H Share which was fixed by reference to the average closing price of the H Shares as quoted on the Stock Exchange over the last twenty consecutive trading days preceding the date of the Investor Subscription Agreement was fair and reasonable, and could sufficiently reflect the recent market value of the Investor Subscription H Shares at the time when the Investor Subscription Agreement was entered into. Further, since the Investor Subscription Agreement in which the Investor Subscription Price for each Investor Subscription H Share was agreed and fixed was executed before the Price Determination Agreement and the Investor Subscription Agreement (including the price thereof) was approved by the State-owned Assets Supervision and Administration Commission of Foshan People's Government (佛山市人民政府國有資產監督管理委員會) pursuant to the articles of association of the Subscriber (being a state-owned enterprise), the question on whether a waiver of any entitlement to the dividend attaching to the Investor Subscription H Shares during the Relevant Period was required was not discussed nor considered by the Company and the Subscriber when they negotiated on the terms of the Price Determination Agreement.

The Investor Subscription Price of RMB1.264 (approximately HK\$1.428 at the exchange rate of HK\$1: RMB0.88507) per Investor Subscription Domestic Share represents:

- (i) a premium of approximately 5.00% to the closing price of HK\$1.36 per H Share as quoted on the Stock Exchange on the last trading day immediately prior to 29 June 2017, being the date of the Price Determination Agreement (the "**Price Determination Date**");
- (ii) a premium of approximately 4.23% to the average closing price of HK\$1.37 per H Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Price Determination Date;
- (iii) a premium of approximately 1.28% to the average closing price of HK\$1.41 per H Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Price Determination Date;
- (iv) a discount of approximately 0.83% to the average closing price of HK\$1.44 per H Share as quoted on the Stock Exchange for the twenty (20) consecutive trading days immediately prior to the Price Determination Date; and
- (v) a premium of approximately 8.18% to the closing price of HK\$1.32 per H Share as quoted on the Stock Exchange on 28 September 2017, being the Latest Practicable Date.

LETTER FROM THE BOARD

In respect of the Investor Subscription H Shares

The Investor Subscription Price for each Investor Subscription H Share is fixed at HK\$1.42 (approximately RMB1.26 at the exchange rate of HK\$1: RMB0.88507) per Investor Subscription H Share, which is the average closing price of the H Shares as quoted on the Stock Exchange over the last twenty (20) consecutive trading days preceding the date of the Investor Subscription Agreement. Further, the Investor Subscription Price of HK\$1.42 (approximately RMB1.26 at the exchange rate of HK\$1: RMB0.88507) per Investor Subscription H Share represents:

- (i) equal to the closing price of HK\$1.42 per H Share as quoted on the Stock Exchange on 15 May 2017, being the date of the Investor Subscription Agreement;
- (ii) a discount of approximately 2.74% to the closing price of HK\$1.46 per H Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to 15 May 2017, being the date of the Investor Subscription Agreement;
- (iii) a discount of approximately 1.39% to the closing price of HK\$1.44 per H Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to 15 May 2017, being the date of the Investor Subscription Agreement; and
- (iv) a premium of approximately 7.58% to the closing price of HK\$1.32 per H Share as quoted on the Stock Exchange on 28 September 2017, being the Latest Practicable Date.

The net price (after deducting relevant expenses) in respect of the Investor Subscription is RMB1.251 per Investor Subscription Domestic Share and HK\$1.41 per Investor Subscription H Share.

Assuming the Investor Subscription is successfully completed in accordance with the terms of the Investor Subscription Agreement, considering that the Investor Subscription Price is fixed at HK\$1.42 per Investor Subscription H Share and RMB1.264 per Investor Subscription Domestic Share, the aggregated amounts of the gross proceeds and net proceeds (after deducting relevant expenses) from the issue of the Investor Subscription Shares (including the Investor Subscription Domestic Shares and the Investor Subscription H Shares) are expected to be approximately RMB375.45 million (approximately HK\$424.21 million at the exchange rate of HK\$1: RMB0.88507) and approximately RMB371.65 million (approximately HK\$419.91 million at the exchange rate of HK\$1: RMB0.88507), respectively.

Pursuant to the Investor Subscription Agreement, the aggregate Investor Subscription Price for the Investor Subscription Shares shall be payable in cash by way of bank transfer to the bank account(s) designated by the Company within three (3) Business Days after the satisfaction of the conditions precedent set out in the Investor Subscription Agreement (or such other date and time to be agreed in writing by the Subscriber and the Company), after which the Company will engage a qualified auditor to conduct capital verification of the payment made by the Subscriber and to issue a capital verification report.

LETTER FROM THE BOARD

The Investor Subscription Completion shall take place on the third Business Day (or any other day and time agreed in writing between the Company and the Subscriber) after completion and issue of the capital verification report by a qualified auditor engaged by the Company on the Investor Subscription Price received from the Subscriber.

Lock-up period

The Investor Subscription H Shares and the Investor Subscription Domestic Shares to be issued under the Investor Subscription Agreement are subject to a lock-up period of 12 months and 60 months, respectively, commencing from the date on which the Subscriber and/or its nominees are registered as the holders of the relevant Investor Subscription Shares.

Conditions precedent

Investor Subscription Completion is conditional upon the satisfaction (or waiver, if applicable) of the conditions below:

- (i) the Board and the Shareholders (at the EGM and the Class Meetings) approving the following matters in accordance with the Articles and the relevant requirements under the Listing Rules:
 - (a) the Investor Subscription Agreement and all the transactions contemplated thereunder;
 - (b) the increase in the share capital of the Company by the addition of up to 223,096,020 new Domestic Shares and 74,364,000 new H Shares pursuant to the Investor Subscription Agreement;
 - (c) the grant of the proposed Specific Mandate to the Board to issue and allot not more than 223,096,020 new Domestic Shares and 74,364,000 new H Shares pursuant to the Investor Subscription Agreement; and
 - (d) all other resolutions to give effect to the Investor Subscription Agreement and all the transactions contemplated thereunder;
- (ii) the Subscriber having obtained all necessary internal approvals including approval from its board of directors and shareholders in accordance with its articles of association for entering into of the Investor Subscription Agreement and all the transactions contemplated thereunder;
- (iii) each of the Company and the Subscriber having obtained the necessary approvals and consents from the relevant regulatory authorities, including the approval from the Stock Exchange for the listing of, and permission to deal in, the Investor Subscription H Shares; and

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- (iv) the representations and warranties made by the Company and the Subscriber under the Investor Subscription Agreement shall be true, accurate and complete in all material aspects and not misleading as of the date of the Investor Subscription Agreement and as of the Investor Subscription Completion Date as though made at that time.

Except for (iv), none of the above conditions may be waived by any party to the Investor Subscription Agreement and therefore, if any conditions above cannot be satisfied on or before the Long Stop Date, the Investor Subscription Agreement shall be automatically terminated and all rights and obligations thereunder shall cease and terminate and none of the parties thereto shall have any claim against the other save for obligations expressed to survive such termination and any antecedent breach.

The Subscriber has further undertaken, and has procured its nominee(s) and associate(s) to undertake, that in the absence of the Company's prior written consent and save as the Investor Subscription, the Subscriber, its nominee(s) and associate(s) will not, through any means, increase its direct or indirect shareholding or equity interest of the Company. The Company has given its consent to the entering into of the Possible Shareholders' Transaction by the Subscriber.

As at the Latest Practicable Date, save for the (i) approval from the Board; (ii) approval from the board of the Subscriber; and (iii) approval from the State-owned Assets Supervision and Administration Commission of Foshan People's Government (佛山市人民政府國有資產監督管理委員會) in relation to the Investor Subscription Agreement and the transactions contemplated thereunder, none of the conditions precedent for the Investor Subscription Completion had been fulfilled.

USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE ISSUE OF THE INVESTOR SUBSCRIPTION SHARES

Assuming the Investor Subscription is successfully completed, the net proceeds from the issue of the Investor Subscription Shares, after deducting relevant expenses, will be applied by the Company as follows:

- approximately 60% will be used for pursuing acquisition and merger opportunities when suitable target becomes available, in order to expand the Group's service mix and further consolidate the market position of the Group in the Guangdong Province or Pearl River Delta region. Pursuant to this expansion plan, the Group is and has been targeting enterprise(s) in Guangdong Province or Pearl River Delta region which engage(s) in the business of providing financial-related services such as financial leasing, loan business with focus on serving small and medium enterprises ("SMEs"), non-financial guarantee services and business factoring services. The Group will carefully assess and select suitable targets which have sound track record of providing the above financial-related services in Guangdong Province or Pearl River Delta region with stable financial performance, and whose business could create synergy or be complementary with that of the Group;

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- approximately 20% will be used for establishing a subsidiary for providing comprehensive internet financial and internet micro-lending services. The Directors believe that such expansion strategy would allow the Group to increase its integrated strengths by evolving its business lines with the use of an internet-based platform and technology, which is in line with the prevailing market trend. Such strategy would also allow the Group to tap into the fast-growing Fin-Tech sector for its services in light of the blooming of the e-commerce and online business in the PRC as well as the continuing regulatory support such as the “Internet Plus” policy announced in the PRC. In addition, leveraging on the online technology as well as a large number of potential online users in the PRC, couple with the Group’s sound risk management, it is expected that the expansion of the Group’s business into this sector will effectively expand its customer base at lower cost, create business opportunity from those potential customers who could meet the Group’s selection criteria, and fulfilling the Group’s long-term development strategy. The Group will obtain all necessary approvals from the competent regulatory authorities in the PRC before commencing its internet financial and internet micro-credit businesses; and
- approximately 20% will be used for further developing and strengthening the Group’s existing business by way of increasing the Group’s contribution to the registered capital of Zhongshan Join-Share Technology Financing Guarantee Investment Co., Ltd* (中山中盈盛達科技融資擔保投資有限公司), a subsidiary of the Company engaging in financing guarantee, non-financing guarantee and consulting services.

As disclosed above, approximately 60% will be used for pursuing acquisition and merger opportunities when suitable targets in the Guangdong Province or Pearl River Delta region, which engage(s) in the business of providing financial-related services such as financial leasing, loan business with focus on serving SMEs, non-financial guarantee services and business factoring services, becomes available. In this connection, the Company has been identifying, and in preliminary discussions or negotiations, from time to time with potential vendors for acquisition and merger opportunities. The Company has interest in acquiring or investing in certain financial lease and SMEs lending businesses held by the Subscriber and/or its associates (“**Potential Transactions**”) and preliminary discussions have been held between the Company and the Subscriber. The Company will only explore the possibility of engaging in any substantive negotiation with the Subscriber and the entering into of the Potential Transactions after the completion of the Investor Subscription. Apart from the Subscriber, the Company has also engaged in preliminary discussions with independent third party(ies) in relation to the potential acquisition or investment in certain non-financial guarantee and business factoring businesses. The Company intends to acquire one or more than one of the target companies from the Subscriber (or its associates) and/or the independent third party(ies) depending on the consideration required and the capital resources available to the Company. The Company is not under legal obligation to proceed with these acquisitions, or any one of them. As at the Latest Practicable Date, no definitive agreement nor legally binding arrangement had been entered into between the Company and (a) the Subscriber in relation to the Potential Transactions; or (b) other independent third parties in relation to any acquisition or merger opportunities as mentioned

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above. In the event that the potential acquisitions could not be materialised, the Company would continue to look for suitable acquisition targets which could further the Company's capability of offering more diversified services to its potential customers, facilitate the Company's geographical expansion and enhance the Group's corporate image as one of the leading financial guarantee service providers in the Guangdong Province of the PRC. The net proceeds originally allocated for pursuing acquisition and merger opportunities as mentioned above will be applied for developing the existing businesses of the Group in the event that the Company is unable to identify any suitable acquisition targets, in which case further announcement(s) will be made by the Company as and when appropriate pursuant to the Listing Rules.

It is the strategy of the Group to continue to develop its core business while seeking to increase profitability and achieve long-term growth through continuous optimisation of its service mix and expanding its footprint in new segment(s) that could complement the Group's business or create synergy. In this regard, the Directors are of the view that the proposed issue of the Investor Subscription Shares offers a good opportunity to the Group as it will not only provide funding for its existing operations, but also surplus capital for funding potential future acquisition and for further expansion of its capital base of its different lines of existing businesses, namely, guarantee and lending business for SMEs, as well as for new business lines such as internet financial and micro-lending services, thereby reinforcing the Company's comprehensive strength and growth potential. Besides, the Investor Subscription is expected to bring strategic benefit to the Company. The Subscriber is the investment holding platform for financial related enterprises under the State-owned Assets Supervision and Administration Commission of Foshan People's Government (佛山市人民政府國有資產監督管理委員會), and it and its associated companies are principally engaged in various financial related services such as banking, management and disposal of non-performing assets, equity transaction, fund investment and management and other businesses. After the Subscriber has become the Shareholder, both the Company and the Subscriber will be able to enjoy the benefit of market information exchanges and cross-promotion of services between them and their staff and to carry out in-depth business cooperation provided that the relevant laws and regulations including the inside information disclosure requirement of the Stock Exchange and the SFC are complied with. In addition, "The Measures for the Supervision and Administration of Financing Guarantee Companies" (《融資擔保公司監督管理條例》) promulgated by State Council and which recently came into effect on 1 October 2017 stipulates that "the State will promote the establishment of a government financing guarantee system, develop government-supported financing guarantee companies and set up a mechanism for cooperation among the government, financial institutions and financing guarantee companies". The establishment and enhancement of a cooperative relationship between the Company and the Subscriber, which is a reputable state-owned enterprise, is in line with the government's policies. Such relationship is expected to benefit the Group as it would allow the Group to leverage on the experience and reputation of the Subscriber to consolidate its position in the guarantee market which is now being supported by the government, to further develop its business network and enrich its service offering, to seize future business opportunity such as to identify new customers which could fulfil the Group's requirement through referral

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by the Subscriber, and to elevate the Group's corporate profile in the market. The Investor Subscription would also increase the interactions between the management and staff of the Group and the Subscriber, facilitating the professional development of the Group's staff as well as strengthening the Group's corporate governance.

Having considered, among other things, the foregoing reasons for and benefits of the issue of the Investor Subscription Shares, the Directors are of the view that the terms of the Investor Subscription Agreement (including the mechanism for determining pricing in respect of the Investor Subscription Shares to be issued as set out in the Investor Subscription Agreement) and the issue of the Investor Subscription Shares are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES UNDER SPECIFIC MANDATE AND CONNECTED TRANSACTION INVOLVING THE PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES TO CONNECTED PERSONS UNDER SPECIFIC MANDATE

On 15 May 2017 (after trading hours), the Company and each of the Management Subscribers (including the Connected Subscribers) entered into the respective Management Subscription Agreements, pursuant to which the Company has conditionally agreed to allot and issue, and each of the Management Subscribers have conditionally agreed to subscribe for, the Management Subscription Shares in cash at the Management Subscription Price. Set forth below are the major terms of the Management Subscription Agreements:

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The Management Subscribers and number of the Management Subscription Shares to be issued

There are totally 76 Management Subscribers. Pursuant to the Management Subscription Agreements, each of the Management Subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, such number of Management Subscription Shares as set out against his/her name as follows:

Management Subscriber	Position	Number of Management Subscription Shares	Approximate percentage of the total Management Subscription Shares (%)
Mr. Wu Liejin (吳列進先生)*	Director of the Company	830,000	8.30%
Mr. Xie Yongdong (謝勇東先生)* (Notes 1 & 6)	Director of the Company	800,000	8.00%
Mr. Wang Wei (王維先生)* (Note 6)	Supervisor of the Company	60,000	0.60%
Mr. Liang Yi (梁毅先生)* (Note 6)	Supervisor of the Company	80,000	0.80%
Mr. Zhang Deben (張德本先生)* (Notes 2 & 6)	Director of subsidiaries of the Company	212,000	2.12%
Mr. Ou Weiming (歐偉明先生)* (Notes 3 & 6)	Director of a subsidiary of the Company	500,000	5.00%
Ms. Lu Haoming (陸皓明女士)* (Notes 4 & 6)	Director of a subsidiary of the Company	150,000	1.50%
Mr. Zheng Zhengqiang (鄭正強先生)* (Notes 5 & 6)	Joint company secretary and the director of a subsidiary of the Company	162,000	1.62%
Other Management Subscribers		7,206,000	72.06%
Total		10,000,000	100.00%

* Connected Subscribers

Notes:

- (1) Mr. Xie Yongdong is an executive director of the Company. He is the only general partner of Foshan Venture Growth and can solely exercise control over Foshan Venture Growth, which is a limited partnership directly holding 39,920,000 Domestic Shares. Therefore, he is deemed to be interested in 39,920,000 Domestic Shares held by Foshan Venture Growth.

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- (2) Mr. Zhang Deben is a director of each of (i) Anhui Join-Share Financing Guarantee Co., Ltd. (安徽中盈盛達融資擔保有限公司), a 51%-owned subsidiary of the Company; and (ii) Hefei Join-Share Consultancy Service Co., Ltd. (合肥中盈盛達諮詢服務有限公司), a 51%-owned subsidiary of the Company.
- (3) Mr. Ou Weiming is a managing director of Foshan Chancheng Join-Share Micro Credit Co., Ltd. (佛山禪城中盈盛達小額貸款有限公司) (“**Foshan Micro Credit**”), a 50.44%-owned subsidiary of the Company.
- (4) Ms. Lu Haoming is a director of Foshan Micro Credit, a 50.44%-owned subsidiary of the Company.
- (5) Mr. Zheng Zhengqiang is a director of Foshan Micro Credit, a 50.44%-owned subsidiary of the Company.
- (6) In respect of the interests in Foshan Venture Growth, as at the Latest Practicable Date, (a) 22.6% of interests in Foshan Venture Growth is held by Mr. Xie Yongdong; (b) 8.4%, 5.3%, 5.0%, 2.5%, 1.6% and 1.5% interests in Foshan Venture Growth were held by Ms. Lu Haoming, Mr. Ou Weiming, Mr. Zhang Deben, Mr. Zheng Zhengqiang, Mr. Liang Yi and Mr. Wang Wei, respectively; and (c) the remaining interests in Foshan Venture Growth are held by 42 management members and key personnels of our Company, none of whom holds more than 5% of the capital contribution of Foshan Venture Growth.

As at the Latest Practicable Date, the Management Subscription Shares in aggregate represent approximately 1.29% of the existing issued Domestic Shares and the Management Subscription Shares in aggregate represent approximately 0.94% of the existing issued share capital of the Company.

Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Management Subscription Completion and without taking into account the Investor Subscription Shares to be issued pursuant to the Investor Subscription Agreement and the Placing Shares to be issued under the Placing Agreement, the Management Subscription Shares will represent (i) approximately 1.28% of the enlarged issued Domestic Share; and (ii) approximately 0.93% of the enlarged issued share capital of the Company, respectively.

Subject to the satisfaction of the conditions precedent of the Management Subscriptions, the receipt of the Management Subscription Price and the completion of the capital verification by the Company, the Management Subscription Shares will be allotted and issued to the Management Subscribers in accordance with the respective Management Subscription Agreement upon the Management Subscription Completion.

Management Subscription Price

Pursuant to each Management Subscription Agreement, the Management Subscription Price per Management Subscription Share is to be determined by reference to the subscription price for each Investor Subscription Domestic Share offered to the Subscriber under the Investor Subscription Agreement. Therefore, by virtue of entering into of the Price Determination Agreement, the Management Subscription Price per Management Subscription Share is determined to be RMB1.264.

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The Management Subscription Price of RMB1.264 (approximately HK\$1.428 at the exchange rate of HK\$1: RMB0.88507) per Management Subscription Share represents:

- (i) a premium of approximately 5.00% to the closing price of HK\$1.36 per H Share as quoted on the Stock Exchange on the last trading day immediately prior to the Price Determination Date;
- (ii) a premium of approximately 4.23% to the average closing price of HK\$1.37 per H Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Price Determination Date;
- (iii) a premium of approximately 1.28% to the average closing price of HK\$1.41 per H Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Price Determination Date;
- (iv) a discount of approximately 0.83% to the average closing price of HK\$1.44 per H Share as quoted on the Stock Exchange for the twenty (20) consecutive trading days immediately prior to the Price Determination Date; and
- (v) a premium of approximately 8.18% to the closing price of HK\$1.32 per H Share as quoted on the Stock Exchange on 28 September 2017, being the Latest Practicable Date.

The net price (after deducting relevant expenses) in respect of the Management Subscriptions is RMB1.251 per Management Subscription Share.

Assuming the Management Subscriptions are successfully completed in accordance with the terms of the Management Subscription Agreements, the issue of an aggregate of 10,000,000 new Domestic Shares under the Management Subscription Agreements is expected to raise gross proceeds of approximately RMB12.64 million (approximately HK\$14.28 million at the exchange rate of HK\$1: RMB0.88507) and net proceeds of approximately RMB12.51 million (approximately HK\$14.14 million at the exchange rate of HK\$1: RMB0.88507) (after deducting relevant expenses), considering that the Management Subscription Price is fixed at RMB1.264 per Management Subscription Share.

Pursuant to each Management Subscription Agreement, the Management Subscription Price for the Management Subscription Shares shall be payable by each Management Subscriber in cash by way of bank transfer to the bank account(s) designated by the Company within three (3) Business Days after the satisfaction of the conditions precedent set out in the respective Management Subscription Agreement (or such other date and time to be agreed in writing by the relevant Management Subscriber and the Company).

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Completion of the Management Subscriptions shall take place on the third Business Day (or any other day and time agreed in writing between the Company and the Management Subscribers) after completion and issue of the capital verification report by a qualified auditor engaged by the Company on the Management Subscription Price received from all Management Subscribers.

Lock-up period

The Management Subscription Shares to be issued under each of the Management Subscription Agreements are subject to a lock-up period of 36 months commencing from the date on which the relevant Management Subscriber is registered as the holder of the relevant Management Subscription Shares.

Conditions precedent

Management Subscription Completion under each of the Management Subscription Agreements is conditional upon the satisfaction (or waiver, if applicable) of the conditions below:

- (i) the Board and the Shareholders (at the EGM and the Class Meetings) approving the following matters in accordance with the Articles and the relevant requirements under the Listing Rules:
 - (a) the Management Subscription Agreement and all the transactions contemplated thereunder;
 - (b) the increase in the share capital of the Company by the addition of the new Domestic Shares agreed to be subscribed by the relevant Management Subscriber pursuant to the Management Subscription Agreement;
 - (c) the grant of the proposed Specific Mandate to the Board to issue and allot the new Domestic Shares agreed to be subscribed by the relevant Management Subscriber pursuant to the Management Subscription Agreement; and
 - (d) all other resolutions to give effect to the Management Subscription Agreement and all the transactions contemplated thereunder;
- (ii) each of the parties to the Management Subscription Agreement having obtained the necessary approvals and consents from the relevant regulatory authorities; and
- (iii) the representations and warranties made by the Company and the relevant Management Subscriber under the Management Subscription Agreement shall be true, accurate and complete in all material aspects and not misleading.

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As at the Latest Practicable Date, save for the approval from the Board in relation to the Management Subscription Agreements and the transactions contemplated thereunder, none of the conditions precedent for the Management Subscription Completion had been fulfilled.

For the avoidance of doubt, the completion of the Management Subscriptions will not be affected by the completion or non-completion of the Investor Subscription, and the completion of the Management Subscription of any Management Subscriber will not be affected by the completion or non-completion of the Management Subscriptions of the other Management Subscribers.

USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES

Assuming the Management Subscriptions are successfully completed, the net proceeds from the issue of Management Subscription Shares, after deducting relevant expenses, will be applied by the Company for working capital and general corporate purposes, namely for marketing and advertising purposes to enhance the corporate image of the Group in Guangdong Province or Pearl River Delta region.

The Directors believe that the issue of Management Subscription Shares will motivate the key management and employees of the Company, establish a mid-to-long-term incentive plan, realise the maximisation of value for the Company and the Shareholders, and effectively align the interests of the Shareholders, the Company and its employees with a view to ensuring the long-term and sound development of the Company. Having considered, among other things, the foregoing reasons for and benefits of the issue of Management Subscription Shares, the Directors (other than the independent non-executive Directors who will form their view after being advised by Gram Capital) are of the view that the terms of the Management Subscription Agreements (including the mechanism for determining pricing in respect of the Management Subscription Shares to be issued as set out in the Management Subscription Agreement) and the issue of Management Subscription Shares are fair and reasonable based on the current market conditions and are in the interest of the Company and the Shareholders as a whole.

TOTAL FUNDS RAISED FROM THE INVESTOR SUBSCRIPTION AND THE MANAGEMENT SUBSCRIPTIONS

Assuming the Investor Subscription and the Management Subscriptions are successfully completed in accordance with the terms of the Investor Subscription Agreement and the Management Subscription Agreements, respectively, the aggregate amount of gross proceeds of approximately RMB388.09 million (approximately HK\$438.49 million at the exchange rate of HK\$1: RMB0.88507) and an aggregate amount of net proceeds of approximately RMB384.07 million (approximately HK\$433.95 million at the exchange rate of HK\$1: RMB0.88507) (after deducting relevant expenses) will be raised as a result.

LETTER FROM THE BOARD

PLACING OF NEW H SHARES UNDER SPECIFIC MANDATE

As disclosed in the announcement of the Company dated 18 July 2017 and further elaborated in the announcement of the Company dated 26 July 2017 assuming that the Investor Subscription and the Management Subscriptions are successfully completed and that there is no other change in the issued share capital of the Company and the Shares held or to be held by the Subscriber (and its nominee) and Fuside since the Latest Practicable Date and up to the Investor Subscription Completion and the Management Subscription Completion, save for the issue of the Investor Subscription Shares and the Management Subscription Shares, the Subscriber (and its nominee) together with Fuside will hold 74,364,000 H Shares and 256,098,700 Domestic Shares, representing in aggregate approximately 24.05% of the enlarged issued share capital of the Company. Therefore, the Subscriber will become a substantial Shareholder and the Shares to be held by the Subscriber (and its nominee) and the Shares held by Fuside will not count towards the public float. Accordingly, the number of H Shares to be held by the public will be decreased from approximately 27.50% to approximately 21.35% of the total issued share capital of the Company as enlarged by the Investor Subscription Shares and the Management Subscription Shares (the net difference between the minimum public float requirement of 25% under the Listing Rules and the total number of H Shares to be held by the public of approximately 21.35% upon the Investor Subscription Completion is hereinafter referred to as the “**Initial Public Float Shortfall**”).

With a view to maintaining the minimum 25% public float requirement under Rule 8.08(1)(a) of the Listing Rules, on 17 July 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent agreed to procure, on a best-effort basis, not less than six Placées to subscribe for the Placing Shares at the Placing Price of HK\$1.42 per Placing Share.

On 26 July 2017, the Company received notice from the Subscriber and Yuecai HK, an existing Shareholder, that on 26 July 2017, Yuecai HK conditionally agreed to sell, and the Subscriber conditionally agreed to purchase, 70,000,000 H Shares held by Yuecai HK. Assuming that the Investor Subscription, the Management Subscriptions and the Possible Shareholders’ Transaction are successfully completed, the Subscriber (and its nominee) together with Fuside will hold 144,364,000 H Shares and 256,098,700 Domestic Shares, and the total number of H Shares to be held by the public will further decrease from approximately 21.35% to approximately 16.25% of the total issued share capital of the Company as enlarged by the Investor Subscription Shares and the Management Subscription Shares, resulting in a further public float shortfall (the “**Possible Further Public Float Shortfall**”).

On 28 September 2017, the Company entered into the Supplemental Placing Agreement with the Placing Agent to amend and supplement certain provisions of the Placing Agreement with a view to ensuring that the Company will be able to restore or maintain the Public Float Requirement at all times in light of the Initial Public Float Shortfall upon the Investor Subscription Completion and the Possible Further Public Float Shortfall upon the Possible Shareholders’ Transaction Completion.

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Set out below are the principal terms of the Placing Agreement:

Date

17 July 2017 (as amended and supplemented by the Supplemental Placing Agreement)

The Issuer

The Company

Placing Agent

GF Securities (Hong Kong) Brokerage Limited, a corporation licensed to carry out type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the SFO.

Subject to completion of the Placing, the Placing Agent will receive a placing commission of 1.0% of the aggregate Placing Price of the Placing Shares actually placed by the Placing Agent on behalf of the Company in pursuance of its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the market rate and after taking into account the size of the Placing.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries and as confirmed by the Placing Agent, the Placing Agent and its associates are Independent Third Parties, and the Placing Agent is not interested in any Shares, warrants, options, derivatives or other securities that are convertible or exchangeable into Shares or other types of shareholding interest in the Company.

Placees

Whether or not the completion of the First Tranche Placing and the Second Tranche Placing is to take place simultaneously, each of the First Tranche Placing Shares and the Second Tranche Placing Shares are expected to be placed to not less than six Placees, who will be individuals, corporate, institutional investors or other investors at all times.

The Placing Agent will use its reasonable endeavours to ensure that the Placees and their ultimate beneficial owners shall be Independent Third Parties and not connected with any of the connected persons of the Company or the Subscriber or their respective associates nor will they be acting in concert with any of them. The Placing Agent will also use its reasonable endeavours to procure that all the Placees will not become connected persons of the Company or their respective associates nor will they be acting in concert with any of them immediately after completion of the Placing.

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The Placing Shares

No more than 186,666,000 new H Shares, which are divided into two tranches.

The First Tranche Placing Shares consists of no more than 66,932,000 new H Shares and the Second Tranche Placing Shares consists of no more than 119,734,000 new H Shares.

The Placing Shares in aggregate represent approximately 63.64% and 17.50% of the existing issued H Shares and the existing issued share capital of the Company, respectively, as at the Latest Practicable Date.

Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the completion of the Placing and without taking into account the Investor Subscription Shares to be issued pursuant to the Investor Subscription Agreement and the Management Subscription Shares to be issued pursuant to the Management Subscription Agreements, the Placing Shares in aggregate will represent (i) approximately 38.39% of the enlarged issued H Shares; and (ii) approximately 14.89% of the enlarged issued share capital of the Company, upon completion of the Placing.

Assuming that the Investor Subscription and the Management Subscriptions are completed in accordance with the terms of the Investor Subscription Agreement and the Management Subscription Agreements (as the case may be), the Placing Shares in aggregate will represent (i) approximately 33.67% of the enlarged issued H Shares; and (ii) approximately 11.96% of the enlarged issued share capital of the Company, upon completion of the Placing.

The aggregate nominal value of the Placing Shares is approximately RMB186.67 million.

The Placing Price

The Placing Price of HK\$1.42 per Placing Share represents:

- (i) a premium of approximately 4.41% to the closing price of HK\$1.36 per H Share as quoted on the Stock Exchange on 17 July 2017, being the date of the Placing Agreement;
- (ii) a premium of approximately 3.65% to the average closing price of approximately HK\$1.37 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 17 July 2017, being the date of the Placing Agreement;
- (iii) a premium of approximately 2.90% to the average closing price of approximately HK\$1.38 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to 17 July 2017, being the date of the Placing Agreement;

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- (iv) a premium of approximately 2.16% to the average closing price of approximately HK\$1.39 per H Share as quoted on the Stock Exchange for the last twenty consecutive trading days immediately prior to 17 July 2017, being the date of the Placing Agreement; and
- (v) a premium of approximately 7.58% to the closing price of HK\$1.32 per H Share as quoted on the Stock Exchange on 28 September 2017, being the Latest Practicable Date.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the recent trading prices of the H Shares and the circumstances of the Company.

It is expected that, (a) the gross proceeds from the First Tranche Placing will be approximately HK\$95.04 million and the net proceeds from the First Tranche Placing (after deduction of expenses of the First Tranche Placing) will be approximately HK\$94.09 million; and (b) the gross proceeds from the Second Tranche Placing will be approximately HK170.02 million and the net proceeds from the Second Tranche Placing (after deduction of expenses of the Second Tranche Placing) will be approximately HK168.32 million. On such basis, the net price in respect of the First Tranche Placing and the Second Tranche Placing will be approximately HK\$1.41 per First Tranche Placing Share and HK\$1.41 per Second Tranche Placing Share, respectively.

The Placing Shares will, upon allotment and issue in accordance with the Articles, the Listing Rules and the applicable laws, be free from all liens, charges, encumbrances, claims, options, subscription rights or third party rights (other than pursuant to the Placing Agreement) of whatsoever nature, together with all rights attaching thereto at completion of the Placing and thereafter.

Conditions precedent to the Placing

Completion of the First Tranche Placing is conditional upon the fulfilment of the following conditions precedent:

- (i) the Listing Committee of the Stock Exchange granting the listing approval in relation to the listing of, and permission to deal, in the First Tranche Placing Shares (and such permission not being subsequently revoked prior to the completion of the First Tranche Placing);
- (ii) all necessary approval and consents from the Board, the Shareholders and the regulatory authorities and all necessary filings in connection with the First Tranche Placing and the transactions contemplated thereunder (including the corresponding amendments to the Articles) having been obtained and completed, and remaining in full force and effect as at the First Tranche Placing Completion Date;

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- (iii) the specific mandate to allot and issue the First Tranche Placing Shares having been obtained at the EGM and the Class Meetings;
- (iv) the Placing Agreement not having been terminated pursuant to the terms thereof; and
- (v) the Investor Subscription Agreement having become unconditional in all respects.

None of the above conditions precedent may be waived by any party to the Placing Agreement. Both parties to the Placing Agreement shall use their best effort to procure the fulfilment of the conditions precedent above. If any of the conditions precedent above cannot be fulfilled on or before 31 December 2017 (or such other date as may be agreed between the Company and the Placing Agent in writing), all of the obligations of the Company and the Placing Agent with respect to the First Tranche Placing shall cease and determine (save for certain clauses specified in the Placing Agreement) and none of the parties shall have any claim against any other in respect of the First Tranche Placing, save for any antecedent breaches.

In respect of paragraph (v) above, for the purpose of the completion of the First Tranche Placing, the Investor Subscription Agreement will become unconditional in all respects upon the issue of the capital verification report by a qualified auditor engaged by the Company on the Investor Subscription Price received from the Subscriber.

The Directors undertake that, in the event that the Placing Agent notifies the Company before the Investor Subscription Completion Date that the number of First Tranche Placing Shares agreed to be subscribed by the Placees is found to be insufficient to cover the Initial Public Float Shortfall, the Company will use its best endeavours to obtain the consent of the Subscriber to defer the Investor Subscription Completion to such later date and time until a sufficient number of the First Tranche Placing Shares has been agreed to be subscribed by the Placees in order for the Company to maintain the Public Float Requirement. As at the Latest Practicable Date, the Subscriber had already executed a letter in which it confirmed its agreement to defer the Investor Subscription Completion in the event that the conditions precedent to the Investor Subscription Completion have been fulfilled but the number of the Placing Shares which the Placees agree to subscribe is insufficient for the Company to maintain the Public Float Requirement. The exact date of the Investor Subscription Completion will be determined by mutual agreement between the Company and the Subscriber having regard to the progress of the Placing.

Completion of the Second Tranche Placing is conditional upon the fulfilment of the following conditions precedent:

- (i) the Listing Committee of the Stock Exchange granting the listing approval in relation to the listing of, and permission to deal in the Second Tranche Placing Shares (and such permission not being subsequently revoked prior to the completion of the Second Tranche Placing);

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- (ii) all necessary approval and consents from the Board and the Shareholders and the regulatory authorities and all necessary filings in connection with the Second Tranche Placing and the transactions contemplated thereunder (including the corresponding amendments to the Articles) having been obtained and completed, and remaining in full force and effect as at the Second Tranche Placing Completion Date;
- (iii) the specific mandate to allot and issue the Second Tranche Placing Shares having been obtained at the EGM and the Class Meetings;
- (iv) the Placing Agreement not having been terminated pursuant to the terms thereof; and
- (v) the Possible Shareholders' Transaction having been completed in accordance with its terms.

None of the above conditions precedent may be waived by any party to the Placing Agreement. Both parties to the Placing Agreement shall use their best effort to procure the fulfilment of the conditions precedent (i), (ii), (iii) and (iv) above. If any of the conditions precedent above cannot be fulfilled on or before 31 December 2017 (or such other date as may be agreed between the Company and the Placing Agent in writing), all of the obligations of the Company and the Placing Agent with respect to the Second Tranche Placing shall cease and determine (save for certain clauses specified in the Placing Agreement) and none of the parties shall have any claim against any other in respect of the Second Tranche Placing, save for any antecedent breaches.

For the avoidance of doubt, the First Tranche Placing and the Second Tranche Placing are not inter-conditional upon each other.

As at the Latest Practicable Date, save for the approval from the Board in respect of the Placing, none of the conditions precedent for the completion of the First Tranche Placing and for the Second Tranche Placing had been fulfilled.

Placing Completion

Completion of the First Tranche Placing shall be the date of the Investor Subscription Completion or such other date as the Company and the Placing Agent may agree in writing.

Completion of the Second Tranche Placing shall be the date of the Investor Subscription Completion or the date of the Possible Shareholders' Transaction Completion, whichever is later, or such other date as the Company and the Placing Agent may agree in writing.

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Termination

The Placing Agent may, after consultation with the Company (to the extent that the same is practicable or necessary), terminate the Placing Agreement if at any time prior to 6:00 p.m. on the day immediately preceding the date of the Placing Completion:

- (i) any of the undertakings, representations and warranties given by the Company under the Placing Agreement becomes untrue or inaccurate in a material respect or the Company is in material breach of the Placing Agreement; or
- (ii) the Company and the Placing Agent reasonably believes that the success of the Placing will be materially and adversely affected due to the following occasions:
 - (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) in Hong Kong or in the PRC occurs from the date of the Placing Agreement to the day immediately preceding the date of completion of the Placing, which has material adverse effect on the business and financial position of the Company;
 - (b) any national or international event or change of a political, military, financial or economic nature, or any national or international outbreak or escalation of hostilities or armed conflict occurs from the date of the Placing Agreement to the day immediately preceding the date of completion of the Placing, which has material adverse effect on the business and financial position of the Company;
 - (c) the declaration of a banking moratorium by Hong Kong authorities, or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange due to exceptional financial circumstances or otherwise;
- (iii) any material adverse change in the business or financial position of the Company occurs from the date of the Placing Agreement to the day immediately preceding the date of completion of the Placing, which has material adverse effect on the Placing and was not previously known to the Placing Agent; or
- (iv) for whatever reason, (a) the Investor Subscription Agreement cannot be completed in accordance with the terms thereof; or (b) the Investor Subscription Completion and the Placing Completion are not to take place on the same day.

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The Company may by notice in writing terminate the Placing Agreement if at any time prior to 6:00 p.m. on the day immediately preceding the date of the Placing Completion it has come to the attention of the Company that the Placing Agent is in material breach of the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations and liabilities of the parties to the Placing Agreement will forthwith cease and determine, save for any antecedent breach of the Placing Agreement.

USE OF PROCEEDS AND REASONS FOR AND BENEFIT OF THE ISSUE OF THE PLACING SHARES

The Company entered into the Placing Agreement with the Placing Agent to procure the Placing of such number of the Placing Shares that is sufficient to cover the Initial Public Float Shortfall upon Investor Subscription Completion and the Possible Further Public Float Shortfall upon the Possible Shareholders' Transaction Completion, with a view to maintaining the Public Float Requirement at all times.

Assuming that all the Placing Shares (comprising the First Tranche Placing Shares and the Second Tranche Placing Shares) are successfully placed (whether these two tranches of Placing are concurrently or separately completed) by the Placing Agent, the aggregate gross proceeds from the Placing will be approximately HK\$265.07 million (or approximately RMB234.60 million at the exchange rate of HK\$1: RMB0.88507), and the net aggregate proceeds from the Placing (after deduction of expenses of the Placing) will be approximately HK\$262.42 million (or approximately RMB232.26 million at the exchange rate of HK\$1: RMB0.88507) (the "**Placing Net Proceeds**"). In that case, the Company intends to use and allocate the Placing Net Proceeds for such purposes and in such proportion as follows:

- approximately 30% will be used for funding a potential investment (through capital contribution or acquisition of existing equity interest) in a company established in Foshan, the PRC, which is principally engaged in providing financial and related consultancy services through its service platform to the SMEs operating along the value chain in the ceramic industry of the PRC. The Directors believe that the SMEs in the PRC ceramic industry especially in Foshan, which is considered as one of the major and traditional ceramic bases in the PRC, are in need of external financing for business transformation, product innovation and technological upgrade to echo the supply-side structural reform announced by the PRC government, in order to achieve higher efficiency and orderly and healthy growth. Given the business scale and limited credit history or collateral available, it is not easy for these SMEs to obtain or extend bank borrowing at reasonable cost, or at all. Accordingly, the Directors are of the view that the potential investment in the target company, if materialized, would enlarge the Group's customer base and extend the footprint of its financial services to the ceramic industry which presents attractive business potentials, and allow the Group to leverage its expertise to offer financial services to potential customers operated in ceramic industry to generate additional revenue. The service platform and network already developed and operated by the target company would also give the Group's access to potential customers not only restricted to Foshan region but also other parts of China (the "**Relevant Expansion Plan**");

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- approximately 35% will be used for funding the geographical expansion of the Group's financing guarantee business to Guangzhou city of Guangdong Province, which is planned to be achieved through establishing a new subsidiary or (if desirable) acquiring an equity interest in an entity which is providing financing guarantee services in that district. The Directors believe that such expansion plan will effectively consolidate the Group's market share and position in the financing guarantee sector of Guangdong Province and enable the Group to meet the demand for financing guarantee services that may arise from the local enterprises, as the Group currently has been operating a financing guarantee branch company in Guangzhou city of Guangdong Province only, restricting its ability to offer related services to potential local customers;
- approximately 25% will be used for increasing the registered capital of Foshan Chancheng Join-Share Micro Credit Co., Ltd.* (佛山禪城中盈盛達小額貸款有限公司), a subsidiary of the Company engaging in SME lending business, which would allow the Group to expand the lending portfolio and capture further business opportunity under this segment in light of the recent increase in the demand for SME loans granted by the Group; and
- approximately 10% will be used for general working capital purposes, of which approximately 6% will be used for the renovation of existing office premises of the Group and the setting up of new offices by the Group in Foshan to enhance its business network in the city and approximately 4% will be used for purchasing office equipment including computers and for upgrading the computer software.

To the best knowledge, information and belief of the Directors, the potential vendor(s) or investment or acquisition target(s) in connection with the above plans are Independent Third Parties and not connected with the Subscriber.

The net proceeds originally allocated for pursuing acquisition and merger opportunities as mentioned above will be applied for developing the existing businesses of the Group in the event that the Company is unable to identify any suitable acquisition targets, in which case further announcement(s) will be made by the Company as and when appropriate pursuant to the Listing Rules.

In the event that the parties to the Possible Shareholders' Transaction does not proceed to the completion, the Company and the Placing Agent will only place the First Tranche Placing Shares which are sufficient to cover the Initial Public Float Shortfall for fulfilling the Public Float Requirement upon the Investor Subscription Completion. In such a case, the net proceeds from the First Tranche Placing will be approximately HK\$94.09 million (or approximately RMB83.28 million at the exchange rate of HK\$1: RMB0.88507) and the Company will apply and allocate approximately 84% of the net proceeds from the First Tranche Placing for the Relevant Expansion Plan and the remaining approximately 16% for general working capital purposes for the renovation of existing office premises of the Group and the setting up of new offices by the Group in Foshan to enhance its business network in the city. Any shortfall in the capital requirement for implementing the Relevant Expansion Plan and/or other expansion or renovation plan as mentioned above will be funded with internal resources of the Group as appropriate.

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As at the Latest Practicable Date, only preliminary discussions have taken place between the Company and an independent third party in relation to the Relevant Expansion Plan and no definitive agreement nor legally binding arrangement in relation to the Relevant Expansion Plan has been entered into.

The Directors consider that the Placing Agreement is entered into on normal commercial terms, and that the terms of the Placing Agreement (including the Placing Price and the placing commission payable) are fair and reasonable based on the current market conditions and the Placing is in the interest of the Company and its Shareholders as a whole.

POTENTIAL EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY AND PUBLIC FLOAT

As at the Latest Practicable Date, the number of issued Shares is 1,066,666,667 Shares, comprising 773,333,333 Domestic Shares and 293,333,334 H Shares.

The shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Investor Subscription Completion; (iii) immediately after the Management Subscription Completion; (iv) immediately after the Possible Shareholders' Transaction Completion; (v) immediately after the Placing Completion; and (vi) immediately after the Investor Subscription Completion, the Management Subscription Completion, the Possible Shareholders' Transaction Completion and the Placing Completion (assuming there is no change in the issued share capital of the Company and the Shares held by the Subscriber and the Management Subscribers since the Latest Practicable Date and up to the Investor Subscription Completion and the Management Subscription Completion and the Placing Completion, save for the issue of the Investor Subscription Shares and the Management Subscription Shares, the acquisition of H Shares under the Possible Shareholders' Transaction by the Subscriber and the issue of the Placing Shares), are set out as follows:

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Share Class	As at the Latest Practicable Date		Immediately after the Investor Subscription Completion (without taking into account the Management Subscription Completion, Possible Shareholders' Transaction Completion and Placing Completion)		Immediately after the Management Subscription Completion (without taking into account the Investor Subscription Completion, Possible Shareholders' Transaction Completion and Placing Completion)		Immediately after the Possible Shareholders' Transaction Completion (without taking into account the Investor Subscription Completion, the Management Subscription and the Placing Completion)		Immediately after Placing Completion (without taking into account Investor Subscription Completion, Management Subscription Completion and Possible Shareholders' Transaction Completion)		Immediately after Investor Subscription Completion, Management Subscription Completion, Possible Shareholders' Transaction Completion and Placing Completion		
	No. of shares	Approximate % of the total issued Shares	No. of shares	Approximate % of the total issued Shares	No. of shares	Approximate % of the total issued Shares	No. of shares	Approximate % of the total issued Shares	No. of shares	Approximate % of the total issued Shares	No. of shares	Approximate % of the total issued Shares	
Non-public Shareholders													
Mr. Wu Liejin (吳列進先生)	Domestic Shares	31,280,351	2.93	31,280,351	2.29	32,110,351	2.98	31,280,351.00	2.93	31,280,351	2.50	32,110,351	2.06
Mr. Xie Yongdong (謝勇東先生) (Note 2)	Domestic Shares	39,920,000	3.74	39,920,000	2.93	40,720,000	3.78	39,920,000.00	3.74	39,920,000	3.19	40,720,000	2.61
Mr. Huang Guoshen (黃國深先生)	Domestic Shares	41,760,000	3.91	41,760,000	3.06	41,760,000	3.88	41,760,000.00	3.91	41,760,000	3.33	41,760,000	2.68
Ms. Wu Yanfen (吳艷芬女士)	Domestic Shares	29,700,000	2.78	29,700,000	2.18	29,700,000	2.76	29,700,000.00	2.78	29,700,000	2.37	29,700,000	1.90
Mr. Wang Wei (王維先生)	Domestic Shares	-	-	-	-	60,000	0.01	-	-	-	-	60,000	0.00
Mr. Liang Yi (梁毅先生)	Domestic Shares	-	-	-	-	80,000	0.01	-	-	-	-	80,000	0.01
Mr. Zhang Deben (張德本先生)	Domestic Shares	-	-	-	-	212,000	0.02	-	-	-	-	212,000	0.01
Mr. Ou Weiming (歐偉明先生)	Domestic Shares	-	-	-	-	500,000	0.05	-	-	-	-	500,000	0.03
Ms. Lu Haoming (陸皓明女士)	Domestic Shares	-	-	-	-	150,000	0.01	-	-	-	-	150,000	0.01
Mr. Zheng Zhengqiang (鄭正強先生)	Domestic Shares	-	-	-	-	162,000	0.02	-	-	-	-	162,000	0.01
Fuside (Note 3)	Domestic Shares	33,002,680	3.09	33,002,680	2.42	33,002,680	3.07	33,002,680	3.09	33,002,680	2.63	33,002,680	2.11
The Subscriber	Domestic Shares	-	-	223,096,020	16.35	-	-	-	-	-	-	223,096,020	14.29
	H Shares	-	-	74,364,000	5.45	-	-	70,000,000	6.56	-	-	144,364,000	9.25
Public Shareholders													
Yuecai HK	H Shares	89,800,000	8.42	89,800,000	6.58	89,800,000	8.34	19,800,000	1.86	89,800,000	7.16	19,800,000	1.27
Guangdong Yuecai	Domestic Shares	16,758,818	1.57	16,758,818	1.23	16,758,818	1.56	16,758,818	1.57	16,758,818	1.34	16,758,818	1.07
The Placees	H Shares	-	-	-	-	-	-	-	-	186,666,000	14.89	186,666,000	11.96
Other public shareholders (including Management Subscribers who are not Connected Subscribers)	Domestic Shares	580,911,484	54.46	580,911,484	42.58	588,117,484	54.62	580,911,484	54.46	580,911,484	46.35	588,117,484	37.68
	H Shares	203,533,334	19.08	203,533,334	14.92	203,533,334	18.90	203,533,334	19.08	203,533,334	16.24	203,533,334	13.04
Total		1,066,666,667	100.00	1,364,126,687	100.00	1,076,666,667	100.00	1,066,666,667	100.00	1,253,332,667	100.00	1,560,792,687	100.00

Notes:

- Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- Mr. Xie Yongdong is the only general partner of Foshan Venture Growth, which is a limited partnership directly holding 39,920,000 Domestic Shares. As Mr. Xie Yongdong, being the general partner, can solely exercise control over Foshan Venture Growth, he is deemed to be interested in the 39,920,000 Domestic Shares held by Foshan Venture Growth.
- Ms. Gu Lidan (“**Ms. Gu**”), a non-executive Director, is the chairwoman of board of directors and general manager of Fuside. As at the Latest Practicable Date, Fuside was owned as to 40% by the Subscriber and as to 60% by Guangdong Foshan Power Co., Ltd. (廣東佛山電力股份有限公司), a state-controlled entity in the PRC. As at the Latest Practicable Date, Ms. Gu did not hold any Share or any share in Fuside. In the event that she holds any Share, Ms. Gu will not be considered as a public Shareholder under the Listing Rules.

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RANKING OF THE INVESTOR SUBSCRIPTION SHARES, MANAGEMENT SUBSCRIPTION SHARES AND THE PLACING SHARES

The new Domestic Shares to be issued and allotted under the Investor Subscription Agreement and the Management Subscription Agreements (as the case may be) will rank pari passu in all respects with the then existing Domestic Shares in issue, and the new H Shares to be issued and allotted under the Investor Subscription Agreement and the Placing Agreement will rank pari passu in all respects with the then existing H Shares in issue, including the right to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of these new Domestic Shares and these new H Shares (as the case may be) in their fully-paid form.

APPLICATION FOR LISTING

As the new Domestic Shares to be issued and allotted under the Investor Subscription Agreement and the Management Subscription Agreements will not be listed and traded on the Main Board of the Stock Exchange, no application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, these new Domestic Shares.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the new H Shares to be issued and allotted under the Investor Subscription Agreement and the Placing Agreement.

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FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is a summary of the fund raising activities in the past 12 months immediately before the Latest Practicable Date:

Date of Announcement(s)	Description	Net proceeds raised/to be raised	Completed	Intended use of proceeds	Actual use of proceeds
15 May 2017, 25 May 2017 and 29 June 2017	Proposed subscription of 223,096,020 new Domestic Shares and 74,364,000 new H Shares by the Subscriber under the Investor Subscription Agreement	Approximately RMB371.65 million	No	Intended to be used for (i) pursuing acquisition and merger opportunities when suitable target becomes available, in order to expand the Group's service mix and further consolidate the market position of the Group in the Guangdong Province or Pearl River Delta region; (ii) for further developing and strengthening the Group's existing business by way of increasing the Group's contribution to the registered capital of Zhongshan Join-Share Technology Financing Guarantee Investment Co., Ltd* (中山中盈盛達科技融資擔保投資有限公司), a subsidiary of the Company engaging in financing guarantee, non-financing guarantee and consulting services; and (iii) for establishing a subsidiary for providing comprehensive internet financial and internet microlending services. For details, please see the section headed "Use of Proceeds and Reasons for and Benefits of the Issue of the Investor Subscription Shares" in this circular and the announcements of the Company dated 15 May 2017, 25 May 2017 and 29 June 2017	Not applicable

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Date of Announcement(s)	Description	Net proceeds raised/to be raised	Completed	Intended use of proceeds	Actual use of proceeds
15 May 2017, 25 May 2017 and 29 June 2017	Proposed subscription of not more than 10,000,000 new Domestic Shares in aggregate by the Management Subscribers under the respective Management Subscription Agreement	Approximately RMB12.51 million, assuming all Management Subscriptions are successfully completed	No	Intended to be used for working capital and general corporate purposes. For details, please see the section headed “Use of Proceeds and Reasons for and Benefits of the Issue of the Management Subscription Shares” in this circular and the announcements of the Company dated 15 May 2017, 25 May 2017 and 29 June 2017	Not applicable
18 July 2017 and 28 September 2017	Proposed placing of not more than 186,666,000 new H Shares in two tranches	Approximately RMB\$232.26 million, assuming both the First Tranche Placing and the Second Tranche Placing are successfully completed	No	Intended to be used (i) for funding a potential investment (through capital contribution or acquisition of existing equity interest) in a company established in Foshan, the PRC, which is principally engaged in providing financial and related consultancy services through its service platform to the SMEs operating along the value chain in the ceramic industry of the PRC; (ii) funding the geographical expansion of the Group’s financing guarantee business to Guangzhou city of Guangdong Province, which is planned to be achieved through establishing a new subsidiary or (if desirable) acquiring an equity interest in an entity which is providing financing guarantee services in that district; (iii) increasing the registered capital of Foshan Chancheng Join-Share Micro Credit Co., Ltd.* (佛山禪城中盈盛達小額貸款有限公司), a subsidiary of the Company, engaging in SME lending business; and (iv) for general working capital purposes. For details, please see the section headed “Use of Proceeds and Reasons for and Benefits of the Issue of the Placing Shares” in this circular and the announcements of the Company dated 18 July 2017 and 28 September 2017.	Not applicable

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REPORT ON USE OF PROCEEDS FROM PREVIOUS FUND RAISING ACTIVITY

Reference is made to the prospectus and the announcement of the Company dated 11 December 2015 and 26 September 2016, respectively, in connection with the change in the use of net proceeds from the global offering of its H Shares, which was completed on 23 December 2015 (the “**Global Offering**”).

As of the Latest Practicable Date, the Company has a balance of net proceeds from the Global Offering of approximately HK\$120 million, of which (i) approximately HK\$48 million has been allocated to develop financing guarantee business, establish new subsidiaries and branches (including those in Dongguan, Yunfu and Zhuhai, Guangdong province, the PRC) 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; (ii) approximately HK\$14 million has been allocated to 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; and (iii) approximately HK\$58 million has been allocated to develop finance lease business, establish new finance lease subsidiaries and explore and optimise related industries and establish a finance lease company. Further announcement on the above mentioned transactions will be made by the Company in accordance with the Listing Rules as and when appropriate.

INFORMATION ON THE COMPANY

Based in Foshan, Guangdong province, the PRC, the Company and its subsidiaries are principally providing guarantee and other related services and entrusted loans for small-to-medium enterprises and individual business proprietors in order to address their varying financing and business needs. The Group also provides micro-lending to SMEs, individual business proprietors and individuals. Since its establishment in Foshan, Guangdong province, the PRC, in 2003, the Group’s business network has been significantly expanded to cover all the major cities in Guangdong province and certain cities in Anhui province, the PRC.

LETTER FROM THE BOARD

INFORMATION ON THE SUBSCRIBER

Foshan Financial Investment Holdings Co., Ltd.* (佛山市金融投資控股有限公司) is a limited liability company established under the laws of the PRC. The Subscriber was wholly-owned by the State-owned Assets Supervision and Administration Commission of Foshan People's Government (佛山市人民政府國有資產監督管理委員會) as at the date of the Investor Subscription Agreement. The Subscriber has been wholly-owned by Foshan Public Utilities Holding Co., Ltd.* (佛山市公用事業控股有限公司) since 28 June 2017, which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of Foshan People's Government (佛山市人民政府國有資產監督管理委員會). As of the Latest Practicable Date, Fuside, an existing Shareholder, is held as to 40% by the Subscriber. The Subscriber and its associated companies are principally engaged in the operation, management, ownership transfer and trading of state-owned assets under entrustment, and providing related services pertaining to investment in, control of, equity participation in, management of and consultation on state-owned assets; real estate development and property management; and financial investment, science and technology investment, construction and management of industrial parks, capital management, fund management, investment consulting and financial advising in Guangdong Province, the PRC.

To the best information, knowledge and belief of the Directors, after making all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties as at the Latest Practicable Date. However, immediately following the Investor Subscription Completion, the Subscriber and its nominee(s) will together hold more than 10% of the voting power at any general meeting of the Company and hence, will become a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Since Fuside is held as to 40% by the Subscriber, Fuside will become an associate of the Subscriber, and therefore a connected person of the Company, upon the Investor Subscription Completion.

INFORMATION ON THE MANAGEMENT SUBSCRIBERS

The Management Subscribers are the key personnel of the business operation units of the Group or the management members of the Group with the rank above the general manager assistant. Among these Management Subscribers, (i) Mr. Wu Liejin and Mr. Xie Yongdong are executive Directors; (ii) Mr. Wang Wei and Mr. Liang Yi are supervisors of the Company; and (iii) Mr. Zhang Deben, Mr. Ou Weiming, Ms. Lu Haoming and Mr. Zheng Zhengqiang are directors of the subsidiary(ies) of the Company. The remaining Management Subscribers are employees of the Group and none of them is a Director, Supervisor, chief executive or substantial shareholder of the Company, or their respective associates as at the Latest Practicable Date.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES

The Board proposed to make certain amendments to the Articles, in order to, among others, give effect to and reflect the change in the registered capital and the shareholding structure of the Company as a result of the issue of the Investor Subscription Shares, the Management Subscription Shares and the Placing Shares (as the case may be). Further, (i) to clarify certain provisions in the Articles relating to the nature of the transactions which are required to be resolved at the general meeting of the Company; and (ii) to increase the efficiency in the daily management of the Company after having considered its existing business scale and needs, the Company proposed to make amendments to and refinements in the Articles. The proposed amendments to the Articles are subject to approval by the Shareholders by way of special resolutions at the EGM and the Class Meetings, and the approval of and registration or filing with the relevant PRC government authorities. The proposed amendments to the Articles are set out in Appendix I to this circular.

LISTING RULE IMPLICATIONS

Specific mandate to issue the Investor Subscription Shares, the Management Subscription Shares and the Placing Shares

As the Investor Subscription, the Management Subscriptions and the Placing involve the issue of new H Shares and new Domestic Shares under the Specific Mandate, the approval of the Shareholders by way of special resolutions at the EGM and the Class Meetings would be required pursuant to Rule 19A.38 of the Listing Rules.

Further, under the Management Subscriptions, some of the Management Subscribers, namely, (i) Mr. Wu Liejin and Mr. Xie Yongdong are executive Directors; (ii) Mr. Wang Wei and Mr. Liang Yi are Supervisors; and (iii) Mr. Zhang Deben, Mr. Ou Weiming, Ms. Lu Haoming and Mr. Zheng Zhengqiang are directors of the subsidiary(ies) of the Company. Therefore, such Management Subscribers are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the issue of the Management Subscription Shares to the Connected Subscribers constitute connected transactions for the Company under Chapter 14A of the Listing Rules and such issue is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The remaining Management Subscribers are employees of the Group and none of them is a Director, Supervisor, chief executive or substantial shareholder of the Company, or a Director during the 12 months prior to the Latest Practicable Date, or their respective associates. Hence, such remaining Management Subscribers are not considered as connected persons of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

THE EGM AND THE CLASS MEETINGS

The EGM and the Class Meetings will be convened to consider and, if thought fit, to approve (i) the Investor Subscription Agreement, the Management Subscription Agreements, the Placing Agreement and the transactions contemplated thereunder; (ii) the proposed increase in the issued share capital of the Company for the purpose of the Investor Subscription, the Management Subscriptions and the Placing; (iii) the proposed grant of the Specific Mandate to the Board to issue and allot not more than 223,096,020 new Domestic Shares and 74,364,000 new H Shares to the Subscriber and/or its nominees under the Investor Subscription Agreement, not more than 10,000,000 new Domestic Shares in aggregate to the Management Subscribers under the Management Subscription Agreements, and not more than 186,666,000 new H Shares under the Placing Agreement; and (iv) the proposed amendments to the Articles. The issue of the Investor Subscription Shares, the Management Subscription Shares and the Placing Shares (as the case may be) under the Specific Mandate and the amendments to the Articles will be proposed by way of special resolutions at the EGM and each of the Class Meetings to be approved by the Shareholders.

Any Shareholder who has a material interest in the Investor Subscription Agreement, the Management Subscription Agreement, the Placing Agreement and the transactions contemplated thereunder shall abstain from voting on the relevant resolutions to be proposed at the EGM and the Class Meetings. The Subscriber and Fuside were interested in 33,002,680 Domestic Shares as at the Latest Practicable Date. Yuecai HK and Guangdong Yuecai held 89,800,000 H Shares and 16,758,818 Domestic Shares, respectively, as at the Latest Practicable Date. As such, each of (i) the Subscriber; (ii) Fuside; (iii) Yuecai HK and Guangdong Yuecai and their respective associates who controls or is entitled to exercise control over the voting rights in respect of the Shares (if any) that it respectively holds, will abstain from voting at the EGM and the Class Meetings on the proposed resolutions regarding the Investor Subscription Agreement and the Placing Agreement and the transactions contemplated thereunder, the proposed increase in the issued share capital of the Company for the purpose of the Investor Subscription and the Placing, and the proposed grant of the Specific Mandate in relation to the Investor Subscription Shares and the Placing Shares.

As at the Latest Practicable Date, the Connected Subscribers and their respective associates (including Foshan Venture Growth) were interested, in aggregate, in 71,200,351 Domestic Shares. As such, each of the Connected Subscribers and their respective associates, who controls or is entitled to exercise control over the voting rights in respect of the Shares (if any) he or she respectively holds, will abstain from voting at the EGM and the Class Meetings on the proposed resolutions (to the extent relating to himself or herself) regarding the Management Subscription Agreements and the transactions contemplated thereunder, the proposed increase in the issued share capital of the Company for the purpose of the Management Subscriptions, and the proposed grant of the Specific Mandate in relation to the Management Subscription Shares. Furthermore, as at the Latest Practicable Date, the Management Subscribers who were not Connected Subscribers did not directly hold any Shares. They were only indirectly interested in the Shares by virtue of the interests they held in Foshan Venture Growth as at the Latest Practicable Date. As disclosed above, Foshan Venture Growth, which controls or is entitled to exercise control over the voting rights in respect of the Shares it is holding, will abstain from voting at the EGM and the Class Meetings on the proposed resolutions regarding the Management Subscription Agreements and the

LETTER FROM THE BOARD

transactions contemplated thereunder, the proposed increase in the issued share capital of the Company for the purpose of the Management Subscriptions, and the proposed grant of the Specific Mandate in relation to the Management Subscription Shares.

To the best of the knowledge, information and belief of the Directors, save as disclosed above, no Shareholders are required to abstain from voting at the EGM and the Class Meetings.

Each of Mr. Wu Liejin (executive Director) and Mr. Xie Yongdong (executive Director), who is a Connected Subscriber, has abstained from voting at the Board meeting on the proposed resolutions (to the extent relating to himself) regarding the Management Subscription Agreements and the transactions contemplated thereunder and the proposed increase in the issued share capital of the Company for the purpose of the Management Subscriptions.

A notice convening the EGM of the Company to be held at 5 p.m. on Friday, 17 November 2017 at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 70 to 75 of this circular. A notice of the H Shareholders Class Meeting to be held at 3:30 p.m. on Friday, 17 November 2017 at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 76 to 81 of this circular. A notice of the Domestic Shareholders Class Meeting to be held at 2 p.m. on Friday, 17 November 2017 at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 82 to 87 of this circular. The reply slips and proxy forms for use at the EGM and the Class Meetings are also enclosed herein.

Whether or not you are able to attend the EGM and/or the Class Meetings, you are requested to complete the enclosed proxy forms in accordance with the instructions printed thereon and return the same to the Company at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC (in case of any holders of Domestic Shares) or the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in case of any holders of H Shares) as soon as possible and in any event not later than 24 hours before the time appointed for holding of the EGM and Class Meetings or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM and/or Class Meetings or any adjournment thereof should you so wish and in such event, the relevant form(s) of proxy shall be deemed to be revoked. Shareholders who intend to attend the meetings in person or by proxy should complete and return the reply slips in accordance with the instructions printed thereon on or before Saturday, 28 October 2017.

Voting on the resolutions at the EGM and the Class Meetings will be taken by poll.

LETTER FROM THE BOARD

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 37 to 38 of this circular. The Independent Board Committee, having taken into account the advice of Gram Capital, the text of which is set out on pages 39 to 49 of this circular, consider that (i) the terms of the Management Subscription Agreements (including the mechanism for determining pricing in respect of the Management Subscription Shares to be issued as set out in the Management Subscription Agreement) in respect of the Connected Subscribers; and (ii) the issue of the Management Subscription Shares to the Connected Subscribers, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the Class Meetings to approve (i) the Management Subscription Agreements in respect of the Connected Subscribers and the transactions contemplated thereunder; (ii) the issue of the Management Subscription Shares to the Connected Subscribers; (iii) the increase in share capital of the Company by the addition of the new Domestic Shares agreed to be subscribed by the Connected Subscribers pursuant to the relevant Management Subscription Agreements; and (iv) the grant of the Specific Mandate to the Board to issue and allot the new Domestic Shares related thereto.

The Directors (including the independent non-executive Directors) consider that (i) the terms of Investor Subscription Agreement (including the mechanism for determining pricing in respect of the Investor Subscription Shares to be issued as set out in the Investor Subscription Agreement) and the transactions contemplated thereunder; (ii) the issue of the Investor Subscription Shares; (iii) the terms of the Management Subscription Agreement (including the mechanism for determining pricing in respect of the Management Subscription Shares to be issued as set out in the Management Subscription Agreement) in respect of the Management Subscribers who are not Connected Subscribers and the transactions contemplated thereunder; (iv) the issue of the Management Subscription Shares to the Management Subscribers who are not Connected Subscribers; (v) the terms of the Placing Agreement (including the Placing Price and the placing commission payable) and the transactions contemplated thereunder; and (vi) the issue of the Placing Shares, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) also consider the proposed amendments to the Articles as described in this circular are in the best interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM and the Class Meetings.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendices to this circular.

By order of the Board
Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*
Xie Yongdong
Executive Director



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)

30 September 2017

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES UNDER
SPECIFIC MANDATE AND CONNECTED TRANSACTION INVOLVING THE
PROPOSED ISSUE OF THE MANAGEMENT SUBSCRIPTION SHARES TO
CONNECTED PERSONS UNDER SPECIFIC MANDATE**

We refer to the circular issued by the Company dated 30 September 2017 (the “**Circular**”) to the Shareholders of which this letter forms part. Unless otherwise specified, terms defined in the Circular shall have the same meanings in this letter.

We have been appointed by the Board to advise the Independent Shareholders in respect of (i) the terms of the Management Subscription Agreements entered into by the Connected Subscribers and the transactions contemplated thereunder; and (ii) the issue of the Management Subscription Shares to the Connected Subscribers, and to recommend how the Independent Shareholders should vote at the EGM and the Class Meetings.

We wish to draw your attention to the letter from the Board as set out on pages 1 to 36 of the Circular and the letter from Gram Capital, the Independent Financial Adviser, as appointed to advise the Independent Board Committee and the Independent Shareholders, which contains its advice to us in respect of the (i) the terms of the Management Subscription Agreements in respect of the Connected Subscribers and the transactions contemplated thereunder; and (ii) the issue of the Management Subscription Shares to the Connected Subscribers, as set out on pages 39 to 49 of this Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered, among other things, the factors and reasons considered by, and the recommendation of, Gram Capital as stated in its letter of advice, we consider that (i) the terms of the Management Subscription Agreements (including the mechanism for determining pricing in respect of the Management Subscription Share to be issued as set out in the Management Subscription Agreement) in respect of Connected Subscribers and the transactions contemplated thereunder; and (ii) the issue of the Management Subscription Shares to the Connected Subscribers are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the Class Meetings to approve (i) the Management Subscription Agreements in respect of the Connected Subscribers and the transactions contemplated thereunder; (ii) the issue of the Management Subscription Shares to the Connected Subscribers; (iii) the increase in share capital of the Company by the addition of the new Domestic Shares agreed to be subscribed by the Connected Subscribers pursuant to the relevant Management Subscription Agreements; and (iv) the grant of the Specific Mandate to the Board to issue and allot the new Domestic Shares related thereto.

Yours faithfully

For and on behalf of the

Independent Board Committee

Wu Xiangneng

Independent non-executive

Director

Leung Hon Man

Independent non-executive

Director

Liu Heng

Independent non-executive

Director

* *For identification purposes only*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Connected Subscription for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

30 September 2017

*To: The Independent Board Committee and the Independent Shareholders
of Guangdong Join-Share Financing Guarantee Investment Co., Ltd.**

Dear Sir/Madam,

CONNECTED TRANSACTION INVOLVING ISSUE OF MANAGEMENT SUBSCRIPTION SHARES TO CONNECTED PERSONS UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders of the Company (the “**Independent Shareholders**”) in respect of the issue of the Management Subscription Shares to the Connected Subscribers (the “**Connected Subscriptions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 30 September 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

With reference to the Board Letter, after trading hours on 15 May 2017 and 29 June 2017, the Company and each of the Management Subscribers (including the Connected Subscribers) entered into the respective Management Subscription Agreements and Price Determination Agreement respectively, pursuant to which, each of the Management Subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 10,000,000 Management Subscription Shares, in cash, at the consideration of RMB12,640,000 (approximately HK\$14,280,000), being the Management Subscription Price of RMB1.264 (approximately HK\$1.428) per Management Subscription Share multiplied by the number of Management Subscription Shares.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Connected Subscriptions constitute connected transactions for the Company and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Wu Xiangneng, Mr. Leung Hon Man and Mr. Liu Heng, being all of the independent non-executive Directors, has been formed to advise the Independent Shareholders on (i) whether the terms of the Management Subscription Agreements with the Connected Subscribers are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Connected Subscriptions are in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Management Subscription Agreements with the Connected Subscribers and the transactions contemplated thereunder at the EGM and the Class Meetings. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Connected Subscriptions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

LETTER FROM GRAM CAPITAL

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Connected Subscribers or their respective associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Connected Subscriptions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Subscription.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Connected Subscriptions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Company and its subsidiaries are based in Foshan, Guangdong province, and are principally providing guarantee and other related services and entrusted loans for small-to-medium enterprises and individual business proprietors in order to address their varying financing and business needs. The Group also provides micro-lending to SMEs, individual business proprietors and individuals. Since its establishment in Foshan, Guangdong province, the PRC, in 2003, the Group's business network has been significantly expanded to cover all the major cities in Guangdong province and certain cities in Anhui province, the PRC.

LETTER FROM GRAM CAPITAL

Set out below is a summary of the audited consolidated financial information on the Group for the two years ended 31 December 2016 as extracted from the Company's annual report for the year ended 31 December 2016 (the "2016 Annual Report"):

	For the year ended 31 December 2016	For the year ended 31 December 2015	Change from 2015 to 2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue	253,008	285,634	(11.42)
Profit for the year	143,901	142,830	0.75

	As at 31 December 2016	As at 31 December 2015	Change from 2015 to 2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Total assets	2,143,780	2,171,054	(1.26)
Total liabilities	431,578	449,011	(3.88)

As depicted from the above table, we noted that the Group's revenue for the year ended 31 December 2016 ("FY2016") decreased by approximately 11.42% as compared to that for the year ended 31 December 2015 ("FY2015"). Despite the decrease in revenue, the Group recorded a minimal increase in profit for FY2016 as compared to that for FY2015 as a result of increase in other revenue and provision written back for guarantee losses.

With reference to the 2016 Annual Report, in 2016, the Company carried out the strategy of transformation and upgrade, promoted the divisional organization reform and achieved effective results in this regard. While consolidating its regular businesses, the Company devoted more efforts to expand into new business areas and developed the relevant construction guarantee and other financial service-related products. Giving full play to the brand effect and public praise of the Company and leveraging on the internet, the Company aims to build itself into a systematic provider of investment and financing services with the highest systematic value for the SMEs and individuals in the PRC.

Information on the Connected Subscribers

The eight Connected Subscribers are Mr. Wu Liejin ("Mr. Wu"), Mr. Xie Yongdong ("Mr. Xie"), Mr. Wang Wei ("Mr. Wang"), Mr. Liang Yi ("Mr. Liang"), Mr. Zhang Deben ("Mr. Zhang"), Mr. Ou Weiming ("Mr. Ou"), Ms. Lu Haoming ("Ms. Lu") and Mr. Zheng Zhengqiang ("Mr. Zheng").

LETTER FROM GRAM CAPITAL

Mr. Wu, is an Executive Director and the Chairman of the Company. Mr. Wu has over 20 years of experience in finance industry. He joined the Group as a Director on 23 May 2003 and was re-designated as Executive Director on 6 June 2014. Mr. Wu is responsible for the overall development planning and business operation of the Group. Mr. Wu is also the top/key management of certain subsidiaries and associated companies of the Company.

Mr. Xie is an Executive Director and the President of the Company. Mr. Xie joined the Group in 26 May 2003 and has served as a vice-president from July 2004 to July 2012. Mr. Xie was appointed as a Director on 11 May 2012 and was re-designated as an Executive Director on 6 June 2014. Mr. Xie is responsible for day-to-day management and business operation of the Group. Mr. Xie is also a director of a subsidiary and an associated company of the Company.

Mr. Zhang is an executive vice president of the Group. Mr. Zhang joined the Group on 6 July 2009 as the vice president. He is responsible for day-to-day operational management of construction guarantee department. Mr. Zhang is also a director of a subsidiary of the Company.

Mr. Ou is a vice president of the Group and managing director of Foshan Micro Credit. Mr. Ou joined the Group on 25 April 2005. He is responsible for day-to-day operational management of Foshan Micro Credit. Mr. Ou is also a director of a subsidiary of the Company.

Ms. Lu is the chief financial officer and general manager of finance management department of the Company. Ms. Lu joined the Group on 8 July 2003. She is responsible for the overall financial management of the Group. Ms. Lu is also a director of a subsidiary of the Company.

Mr. Zheng is the secretary to the Board, head of office of the Board. Mr. Zheng joined the Group on 13 April 2005. He is responsible for the management of the office of the Board. Mr. Zheng is also a director of a subsidiary of the Company.

Mr. Wang is the employee representative supervisor of the Company. Mr. Wang joined the Group in 30 October 2008. He currently serves as the director of the legal division. He is responsible for the affairs of the legal division.

Mr. Liang is the employee representative supervisor of the Company. Mr. Liang joined the Group in 1 June 2006. He serves as the general manager of Nanhai branch of the Company, where he is primarily responsible for business marketing and team management of Nanhai branch.

LETTER FROM GRAM CAPITAL

Use of proceeds and reasons for and benefits of the issue of the Management Subscription Shares

With reference to the Board Letter, assuming the Management Subscriptions are successfully completed, the net proceeds from the issue of Management Subscription Shares, after deducting relevant expenses, will be applied by the Company for working capital and general corporate purposes, namely for marketing and advertising purposes to enhance the corporate image of the Group in Guangdong Province or Pearl River Delta region.

The Directors believe that the issue of Management Subscription Shares will motivate the key management and employees of the Company, establish a mid-to-long-term incentive plan, realise the maximisation of value for the Company and the Shareholders, and effectively align the interests of the Shareholders, the Company and its employees with a view to ensuring the long-term and sound development of the Company.

We notice that there are Hong Kong listed companies which grant share options or reward shares to their management as reward for the management's contribution to the company and to align the management's interests with the interests of the Company and the Shareholders as a whole. In cases of grant of share options or reward shares, the grantees may not require to pay any cost for their rewards.

On the contrary, the Connected Subscription requires the Connected Subscribers to invest in the Company by way of paying the Management Subscription Price. Should the financial performance of the Group deteriorate and the Share price fall below the Management Subscription Price, the Connected Subscribers will suffer loss on their investment. Accordingly, it is reasonable for the Group to motivate the Connected Subscribers and align the interests of the Shareholders, the Company and the Connected Subscribers by way of the Connected Subscriptions. In light of the above, we consider that the Connected Subscriptions are in the interests of the Company and the Shareholders as a whole.

Principal terms of the Management Subscription Agreements with the Connected Subscribers

As confirmed by the Directors, the terms of the Management Subscription Agreements with each of the Management Subscribers (including the Connected Subscribers) are identical to each other (except for that the number of Management Subscription Shares to be subscribed may vary). The table below summarises the major terms of the Management Subscription Agreements with the Connected Subscribers:

Date

15 May 2017

Issuer

The Company

LETTER FROM GRAM CAPITAL

Parties

The Company (as the issuer); and

The Connected Subscribers (as the subscribers)

Number of Management Subscription Shares to be issued

Pursuant to the Management Subscription Agreements with the Connected Subscribers and the Price Determination Agreement, Mr. Wu, Mr. Xie, Mr. Wang, Mr. Liang, Mr. Zhang, Mr. Ou, Ms. Lu and Mr. Zheng have conditionally agreed to subscribe for 830,000, 800,000, 60,000, 80,000, 212,000, 500,000, 150,000 and 162,000 Management Subscription Shares respectively in cash at the Management Subscription Price of RMB1.264 (approximately HK\$1.428) per Management Subscription Share.

As at the Latest Practicable Date, the Management Subscription Shares under the Connected Subscriptions represent approximately 0.36% of the existing issued Domestic Shares and the Management Subscription Shares under the Connected Subscriptions represent approximately 0.26% of the existing issued share capital of the Company.

Assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Management Subscription Completion and without taking into account the Investor Subscription Shares to be issued pursuant to the Investor Subscription Agreement and the Placing Shares to be issued under the Placing Agreement, the Management Subscription Shares under the Connected Subscriptions will represent (i) approximately 0.36% of the enlarged issued Domestic Shares; and (ii) approximately 0.26% of the enlarged issued share capital of the Company, respectively.

Management Subscription Price

The Management Subscription Price is fixed at RMB1.264 (equivalent to approximately HK\$1.428) per Management Subscription Share, which is determined by reference to the subscription price for the New Domestic Share offered to the Subscriber.

With reference to the Board Letter, the Investor Subscription Price for each Investor Subscription Domestic Share is to be determined by reference to the net asset value of the Company per Share as at 31 December 2016 based on the data derived from (i) the audited consolidated financial information of the Company for the year ended 31 December 2016; and (ii) the Valuation Report to be issued by an independent valuer nominated by the Subscriber. Given that there was a time gap of around six months from 31 December 2016 and the date of the Investor Subscription Agreement, in addition to the net asset value of the Company as at 31 December 2016, when determining the Investor Subscription Price for each Investor Subscription Domestic Share, the Board also assessed, where relevant, other considerations including the recent trading performance of the H Shares, the prevailing market conditions, the non-listing

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status of the new Domestic Shares, the dividends and/or distribution payable by the Company since 31 December 2016 and up to the issue of the Investor Subscription Domestic Shares as well as the strategic benefit afforded to the Company that may result from the proposed Investor Subscription. As advised by the PRC legal adviser of the Company, the basis adopted for determining the Investor Subscription Price for the Investor Subscription Domestic Share does not violate any relevant PRC laws and regulations.

On 23 June 2017, the Valuation Report was issued by an independent valuer nominated by the Subscriber, and such report has been filed with the State-owned Assets Supervision and Administration Commission of Foshan People's Government* (佛山市人民政府國有資產監督管理委員會).

Based on the Valuation Report and the total number of issued Shares of 1,066,666,667 as at the Latest Practicable Date, we notice that the appraised value of the net asset value of the Company per Share as at 31 December 2016 was approximately RMB1.349, which is (i) slightly higher than the net asset value of the Company per Share as at 31 December 2016 (i.e. approximately RMB1.318) according to the 2016 Annual Report; and (ii) is slightly lower than the consolidated total equity attributable to equity shareholders of the Company per Share as at 31 December 2016 (i.e. approximately RMB1.354) according to the 2016 Annual Report.

On 29 June 2017, the Company and the Subscriber entered into the Price Determination Agreement, pursuant to which the parties thereto (having considered the factors as mentioned under the section headed "Investor Subscription Price" of the Board Letter, in particular, the final dividend of RMB0.085 per Share payable to all Shareholders for FY2016) agreed to fix the Investor Subscription Price at RMB1.264 (approximately HK\$1.428 at the exchange rate of HK\$1: RMB0.88507) per Investor Subscription Domestic Share.

Having taken into account the above and (i) that as advised by the PRC legal adviser of the Company, the basis adopted for determining the Investor Subscription Price for the Investor Subscription Domestic Share does not violate any relevant PRC laws and regulations; and (ii) our analysis on the Management Subscription Price below, we have no doubt on the basis adopted for determining the Management Subscription Price (i.e. determined by reference to the Investor Subscription Price).

The Management Subscription Price of RMB1.264 (approximately HK\$1.428) represents:

- (i) a premium of approximately 8.18% over the closing price of HK\$1.32 per H Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 5.00% over the closing price of HK\$1.36 per H Share as quoted on the Stock Exchange on the last trading day immediately prior to 29 June 2017, being the date of the Price Determination Agreement (the "**Price Determination Date**");

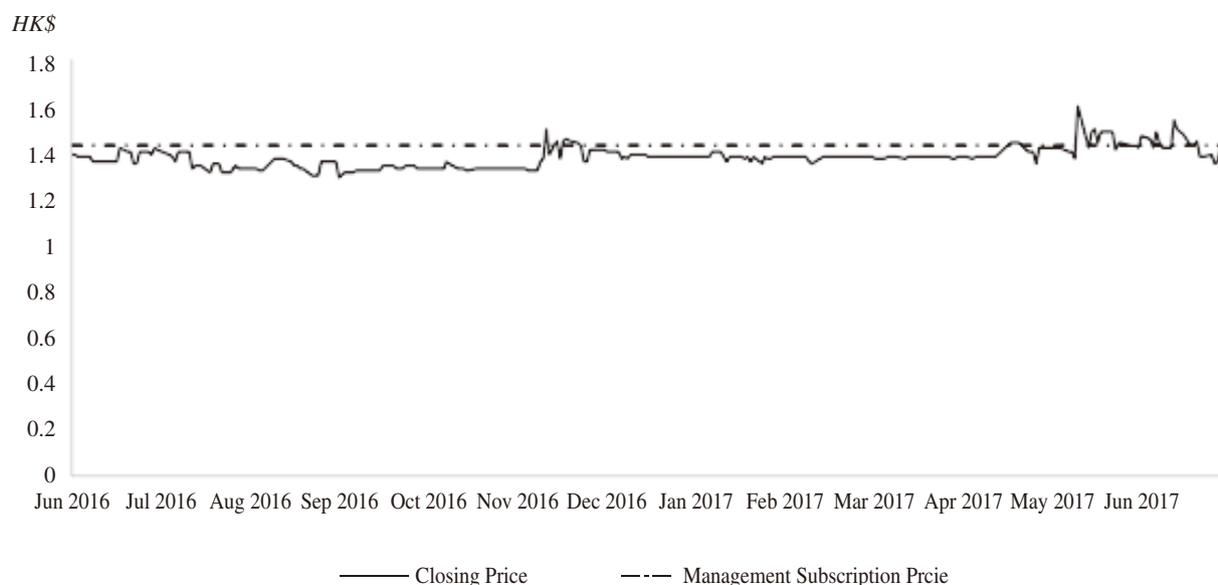
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- (iii) a premium of approximately 4.23% over the closing price of HK\$1.37 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Price Determination Date;
- (iv) a premium of approximately 1.28% over the closing price of HK\$1.41 per H Share as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to the Price Determination Date; and
- (v) a discount of approximately 0.83% to the closing price of HK\$1.44 per H Share as quoted on the Stock Exchange for the last 20 consecutive trading days immediately prior to the Price Determination Date.

Review of H Share prices

To assess the fairness and reasonableness of the Management Subscription Price, we have performed the historical price analysis as follows. Set out below is a chart showing the movement of the closing prices of the H Shares as quoted on the Stock Exchange during the period commencing from 1 June 2016 up to the Price Determination Date, which covers an approximate one year period prior to and including the Price Determination Date (the “**Review Period**”), to illustrate the general trend and level of movement of the closing prices of the H Shares.

Historical daily closing price per H Share



Source: The Stock Exchange of Hong Kong Limited

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As shown by the above table, the daily closing prices of the H Shares ranged from HK\$1.29 per H Share to HK\$1.6 per H Share during the Review Period. Save for May 2017, there was no significant fluctuation in the daily closing prices of the H Share during the Review Period. The Management Subscription Price of RMB1.264 (equivalent to approximately HK\$1.428) is above the daily closing price of the H Share in 231 trading days out of the total 265 trading days during the Review Period.

Although the Domestic Shares are not traded in the Stock Exchange, the historical daily closing prices of the H Share can provide a proper reference for the market value of the Domestic Shares. The market value of the Domestic Shares shall be adjusted downward for the non-listing status of the Domestic Shares as the liquidity of the Domestic Shares is lower than the H Shares.

Having considered the above and that (i) the Management Subscription Price is above the daily closing price of the H Share in 231 trading days out of the total 265 trading days during the Review Period; and (ii) the Management Subscription Price represents a premium of approximately 5.00% over the closing price of HK\$1.36 per H Share as quoted on the Stock Exchange on the last trading day immediately prior to the Price Determination Date, we are of the view that the Management Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Lock-up period

The Management Subscription Shares to be issued under the Management Subscription Agreements are subject to a lock-up period of 36 months commencing from the date on which the relevant Management Subscriber is registered as the holder of the relevant Management Subscription Shares.

We consider the aforesaid lock-up period can further motivate the Connected Subscribers on a mid-to-long-term basis.

Taking into account the principal terms of the Management Subscription Agreements with the Connected Subscribers as highlighted above, we are of the view that the terms of the Management Subscription Agreements with the Connected Subscribers are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Possible dilution effect on the shareholding interests of the existing public Shareholders

Given that as at the Latest Practicable Date, the Management Subscription Shares under the Connected Subscriptions represent approximately 0.36% of the existing issued Domestic Shares and the Management Subscription Shares under the Connected Subscriptions represent approximately 0.26% of the existing issued share capital of the Company, the dilution effect of the Connected Subscriptions on the shareholding interests of the existing public Shareholders is expected to be immaterial. Taking into account (i) the reasons for and benefits of the Connected Subscriptions; and (ii) the terms of the Management Subscription Agreements with the Connected Subscribers being fair and reasonable, we are

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of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Management Subscription Agreements with the Connected Subscribers are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Connected Subscriptions are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM and the Class Meetings to approve the Management Subscription Agreements with the Connected Subscribers and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 20 years of experience in investment banking industry.

* *For identification purpose only*

Details of the proposed amendments to the Articles of Association and its appendices are set out as follows:

1. Original Article 16 of the Articles, which reads as follows:

“After its establishment, the Company may, subject to the approval of competent securities authorities designated by the State Council, issue not more than 266,666,667 H Shares. 26,666,667 reserved shares held by state-owned shareholders which were transferred to the National Council for Social Security Fund of the PRC (“NSSF”) were converted to H Shares. Particulars regarding the implementation of the reduction (transfer) proposal shall be conceived in accordance to the comments issued by NSSF.

Based on “Letter on Issues Regarding the Reduction and Transfer of State-owned Shares of Guangdong Join-Share Financing Guarantee Investment Co., Ltd. for Its Listing in Hong Kong” (《有關廣東中盈盛達融資擔保投資股份有限公司香港上市國有股減轉持有關問題的函》) issued by NSSF on July 21, 2015, the Company was entrusted by the NSSF to sell the 26,666,667 shares of the Company transferred by the shareholders of the state-owned shares in compliance with the relevant regulations on the reduction and transfer of state-owned shares to the NSSF in tandem with its issuance of H Shares.

Following the completion of the issuance as mentioned in the preceding paragraph, the structure of the Company’s share capital is as follows:

Shareholders	Number of shares held <i>(in ten thousands)</i>	As a percentage to the ordinary shares
Huang Guoshen	41,760,000	3.92%
Zhang Yubing	41,760,000	3.92%
Foshan Fuside Infrastructure Investment Co., Ltd.	33,002,680	3.09%
Foshan Venture Growth Investment Centre L.P.	39,920,000	3.74%
Guangdong Jiashijie Household Holding Co., Ltd.	39,028,880	3.66%
Li Shenhua	37,020,000	3.47%
Foshan Xincheng Investment Development Co., Ltd.	27,439,010	2.57%
Guangdong Chengwei Trading Development Co., Ltd.	32,000,000	3.00%
Wu Liejin	31,280,351	2.93%

Shareholders	Number of shares held <i>(in ten thousands)</i>	As a percentage to the ordinary shares
Wu Yanfen	29,700,000	2.78%
Foshan Shunde Ceramic Sanitary Ware Co., Ltd.	29,000,000	2.72%
Zhou Weijie	25,000,000	2.34%
Mai Caiqiong	24,235,200	2.27%
Foshan Huixi Construction Hardware Products Co., Ltd.	21,898,000	2.05%
Guangdong Yuecai Venture Investment Co., Ltd.	16,758,818	1.57%
Yan Haobing	20,888,000	1.96%
Yang Qing	20,000,000	1.88%
Chen Zhongxin	19,157,600	1.80%
Liu Guanghong	18,933,189	1.77%
Xie Chenhan	16,335,000	1.53%
Foshan Veture Investment Co., Ltd.	16,156,800	1.51%
Guangdong Real Faith Enterprises Group Co., Ltd.	13,483,800	1.26%
Guangdong Silk-Tex Group Co., Ltd.	10,588,360	0.99%
ShenZhen OFC Investment Management Ltd.	12,622,500	1.18%
Huang Yong	12,400,000	1.16%
Yuan Shaobin	12,117,600	1.14%
Beijing Guodian Tongda Electrical and Mechanical Technology Co., Ltd.	11,000,000	1.03%
Zhan Changchun	11,000,000	1.03%
Guangdong Genuin Electric Co. Ltd.	10,098,000	0.95%
Li Qizhao	10,098,000	0.95%
Duan Xiaoguang	10,098,000	0.95%
Wang Zhenghu	10,098,000	0.95%
Chen Daqiong	10,098,000	0.95%
Guangdong Technology Venture Investment Co., Ltd.	6,384,312	0.60%
Ye Shangying	8,000,000	0.75%
Foshan City Chancheng District Development and Construction of Urban Facilities Co., Ltd.	6,322,353	0.59%

Shareholders	Number of shares held <i>(in ten thousands)</i>	As a percentage to the ordinary shares
Liang Huizhi	7,068,600	0.66%
Huang Desheng	6,800,000	0.64%
Foshan Nanhai Zhujiang Power Development Co., Ltd.	6,664,680	0.63%
Foshan Datang Textile Fabric Printing and Dyeing Co., Ltd.	6,058,800	0.57%
Cheng Yongjie	6,058,800	0.57%
Foshan Nanhai Sanyu Metal Trading Co., Ltd.	5,000,000	0.47%
Shareholders of H Shares	293,333,334	27.5%
Total	1,066,666,667	100.0%

is to be deleted in its entirety and replaced with the following:

“After the Company’s establishment, 293,333,334 H shares were issued to the public, including the issuance of 266,666,667 new shares and the sale of 26,666,667 state-owned shares. The total share capital of the Company was 1,066,666,667 shares upon its initial public offering. The Company issued a total of 1,066,666,667 ordinary shares, comprising 773,333,333 domestic shares and 293,333,334 H shares.

The existing structure of the share capital of the Company is as follows: the total number of ordinary shares in issue is [•] shares, where domestic shareholders hold [•] shares and H shareholders hold [•] shares.”

2. Original Article 19 of the Articles, which reads as follows:

“At its establishment, the Company had a registered capital of RMB23,200,000. Prior to the issuance of H shares, the Company had a registered capital of RMB800,000,000.

Upon completion of the aforesaid issue of H shares, the registered capital of the Company is RMB1,066,666,667.

Based on the actual situation regarding the issuance, the Company shall undergo formalities regarding the change of registration with the competent administration for industry and commerce in respect of the changes of registered capital, and shall file the same to the State Council authorities in charge of securities.”

is to be deleted in its entirety and replaced with the following:

“The registered capital of the Company is RMB[•].

Based on the actual situation regarding the issuance, the Company shall undergo formalities regarding the change of registration with the competent administration for industry and commerce in respect of the changes of registered capital, and shall file the same to the State Council authorities in charge of securities.”

3. Original Article 52 (13) of the Articles, which reads as follows:

“to consider the purchase and sale of major assets or the giving of guarantees with value exceeding 30% of the total assets of the Company as shown in the latest published audited financial statements of the Company;”

is to be deleted in its entirety and replaced with the following:

“to consider the purchase and sale of major assets or the giving of guarantees not falling within the scope of its principal business, with value exceeding 30% of the total assets of the Company as shown in the latest published audited financial statements of the Company;”

4. Original Article 75 (5) of the Articles, which reads as follows:

“(5) any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited financial statements of the Company;”

is to be deleted in its entirety and replaced with the following:

“(5) any purchase or disposal of substantial assets made by the Company or the giving of guarantees not falling within the scope of its principal business, within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited financial statements of the Company;”

5. It is proposed that a new chapter 11 be included to the Articles after the existing Article 112 of the Articles. The new chapter 11 with Articles 113 to 117 of the Articles are as follows:

Chapter 11 Executive Committee

Article 113 The Company shall set up an executive committee which is responsible for decisions on the day-to-day operation and management of the Company under the leadership of the board of directors.

The executive committee shall be composed of five to nine members including one chairman or chairlady. The chairman of the board of directors, president, vice president, chief financial officer, risk management director, and secretary to the board of directors shall be the members, and the rest members shall be determined by the chairman or chairlady.

Article 114 The meeting of the executive committee shall be convened and presided over by the chairman or chairlady. If the chairman or chairlady fails to perform his/her duties due to special reasons, the chairman or chairlady shall appoint another member to convene and preside over the meeting.

Members of the executive committee shall attend the meetings in person. If a member is unable to attend a meeting, he/she may entrust another member in writing to attend on his behalf.

At the meeting of the executive committee, the matters set out in the agenda shall be resolved one by one by voting. Each member shall have one vote on each resolution considered at the meeting of the executive committee. In the case of an equality of votes for and against a resolution, whether it is by show of hands or a poll, the chairman or chairlady of the meeting shall be entitled to an additional vote.

Resolutions of the executive committee shall be passed by simple majority of all members. Resolutions in respect of material matters shall be passed by two-third or above of the votes of all members.

Article 115 The executive committee shall perform the following duties:

- (1) to implement the decisions, resolutions, policies, operational policies and development plan of the board of directors and to decide on the major issues relating to the Company's operation and management;
- (2) to organise the implementation of annual plan, budget and investment plans of the Company;

- (3) to prepare the plans on the change of the registered capital of the Company and issuance of bonds;
- (4) to prepare the plans on the merger, division, change and dissolution of the Company;
- (5) to prepare the plans on investment, financing and disposal of assets of the Company;
- (6) to prepare the plan on the Company's internal management structure;
- (7) to prepare and approve the plans on remuneration, reward and punishment of employees;
- (8) other powers conferred by these Articles of Association and the board of directors.

Article 116 The chairman or chairlady shall preside over and lead the work of the executive committee, and shall be served by the chairman of the board of directors and be accountable to the board of directors.

The chairman or chairlady shall perform the following duties, or delegate such duties to other members when necessary:

I. Business operation authority

(1) Guarantee business authority

1. Decision on and execution of the cooperation framework agreements (including agreements on grant of credit for cooperation) with banks, guarantee funds, re-guarantee companies and other cooperative organisations;
2. The guarantee projects in which the balance of financing guarantee liability provided to the individual guaranteed party is not more than 6% of the net assets of the group company, or the balance of financing guarantee liability provided to the individual guaranteed party and its related parties is not more than 9% of the net assets of the group company in aggregate, and the balance of financing guarantee liability provided to the individual guaranteed party in respect of issuance of bonds is not more than 15% of the net assets of the group company;
3. The guarantee projects in which the balance of guarantee liability for non-financing guarantee business provided to the individual guaranteed party is not more than 18% of the net assets of the group company.

(2) *Investment business authority*

1. For national bonds, financial bonds and high-grade corporate bonds, the projects with the investment balance of more than 13% but less than 18% of the net assets of the group company. The high-grade corporate bonds referred to in this clause refer to the large corporate bonds with the credit rating of above AA;
2. For equity investment in other individual enterprises, funds or projects, the projects with the investment amount of not more than 5% of the net assets of the group company. The other enterprises referred to in this clause are exclusive of guarantee companies;
3. For entrusted loans, the projects with the balance of loans to individual enterprises of not more than 6% of the net assets of the group company;
4. For all projects involved in other investments. The other investments referred to in this clause include wealth management products of banks, collective fund trust plans, credit assets supported securities and other financial products.

The aforementioned investment types are exclusive of investment in secondary stock market and futures.

(3) *Assets disposal authority*

1. Matters on disposal of assets for which the accumulated amount for purchase or sale of assets in a calendar year is not more than 8% of the total assets of the group company, subject to compliance with all applicable requirements under the Listing Rules;
2. Matters on disposal of assets for which the accumulated loss in principal arising from purchase or sale of assets in a calendar year is not more than 0.5% of the net assets of the group company;
3. The matters on disposal of fixed assets in which the aggregate value of the fixed assets disposed of in the previous four months is not more than 20% of the fixed assets of the group company, subject to compliance with all applicable requirements under the Listing Rules;

(4) *Connected transaction authority*

For connected transactions relating to other businesses (other than borrowing from shareholders, pledge of assets and provision of guarantee), matters in which the accumulated balance of the transaction with a single shareholder and its related parties is not more than 5% of the net assets of the group company, subject to compliance with all applicable requirements under the Listing Rules.

(5) Matters in which the total balance (non-financing guarantee shall be counted by 50%) of the creditor's rights (including contingent creditor's rights) against any single debtor and its related parties derived from various businesses is not more than 15% of the net assets of the group company.

The aforementioned businesses, within the scope of the authority granted, shall be finally determined and executed by the chairman or chairlady of the committee upon passing the compliance review and complying with the business review procedures of the Company. Any matter beyond the above scope of the authority granted shall be reported to the board of directors or general meetings for consideration and approval.

II. Administrative authority

(1) *Administrative authority over the organization and human resources*

1. To draft plan for the establishment of internal management organizations of the Company and submit the plan to the executive committee for consideration;
2. To review plans proposed by the president in relation to establishment of branches, and the wholly-owned, controlled, or investee guarantee institutions, and upon giving approval, present the same to the board of directors and general meetings for consideration;
3. To approve the appointment, removal, reward and punishment of personnel including assistants to general managers of all departments of the Company, assistants to general managers of all branches and personnel above the aforesaid levels up to assistant to the president of the Company;

4. To appraise the performance of the president and the secretary to the board of directors;
5. To review the candidates for appointment or removal of the vice president and the chief financial officer proposed by the president, and upon giving approval, present the same to the board of directors for consideration and approval;
6. To review plans in relation to delegation or replacement of members of the board of directors and the board of supervisors of any wholly-owned subsidiary proposed by the president, and upon giving approval, present the same to the board of directors for consideration and approval;
7. To review plans in relation to delegation, replacement or recommendation of shareholders' representatives, directors (candidates), supervisors (candidates) of controlled subsidiaries and investee subsidiaries proposed by the president, and upon giving approval, present the same to the board of directors for consideration and approval.

(2) *Financial management authority*

1. To approve the use of relevant funds falling within the annual financial budget of the Company as approved at the general meetings. The chairman or chairlady of the committee may, within the scope permitted by laws and regulations and regulatory documents and based on the specific conditions of the Company, delegate the approval authority for financial expenses to the president to a certain extent;
2. To manage and approve the use of relevant funds falling within the budget for special purposes of the board of directors of the Company as approved at the general meetings;
3. To review the plan for extra-budgetary financial expenses proposed by the president, and upon giving approval, present the same to the board of directors of the Company for consideration and approval;
4. To review the profit distribution plans and loss recovery plans proposed by the president, and upon giving approval, present the same to the board of directors of the Company for consideration.

Article 117 The executive committee shall formulate the rules of procedure of the executive committee for approval by the board of directors before implementation thereof.

6. Original Article 118 of the Articles, which reads as follows:

“The Company shall have a president. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors.

The Company shall have several vice president, one chief financial officer and one risk management officer who shall assist the president in work. The vice president, the chief financial officer and the risk management officer shall be nominated by the president and appointed or removed by the board of directors.

Senior management of the Company shall hold the qualification with experience and professional capability required by relevant laws and regulations for being senior management of a financing guarantee company. Senior management of the Company shall not serve on party and government organs.”

is to be deleted in its entirety and replaced with the following:

“The Company shall have a president. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors.

The Company shall have several vice president, one chief financial officer and one risk management officer who shall assist the president in work. The vice president, the chief financial officer and the risk management officer shall be nominated by the president, approved by the chairman of the board of directors and then appointed or removed by the board of directors.

Senior management of the Company shall hold the qualification with experience and professional capability required by relevant laws and regulations for being senior management of a financing guarantee company. Senior management of the Company shall not serve on party and government organs.”

7. Original Article 119 of the Articles, which reads as follows:

“Article 119 The president shall be accountable to the Board of Directors and shall take charge of the operation and management of the Company in accordance with laws, regulations, these Articles of Association and the powers of the Board by performing the following functions and powers:

- (1) to be in charge of the Company’s production, operation and management, to coordinate the implementation of the resolutions of the board of directors and to report his work to the board of directors;
- (2) to organize the implementation of the Company’s annual business plan and investment proposal;
- (3) to draft plans for the establishment of the Company’s internal management structure;
- (4) to draft plans for the establishment of the branch company of the Company;
- (5) to draft the Company’s basic management system;
- (6) to formulate specific rules and regulations for the Company;
- (7) to propose the appointment or dismissal of the Company’s senior management personnel, such as vice president, the chief financial officer and etc.;
- (8) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (9) to determine the wages, benefits, rewards and punishments of the Company’s staff, to determine the appointment and dismissal of the Company’s staff;
- (10) to propose the convening of extraordinary meetings of directors;
- (11) other powers conferred by these Articles of Association and the board of directors.”

is to be deleted in its entirety and replaced with the following:

“Article 119 The president shall be accountable to the Board of Directors and shall take charge of the operation and management of the Company in accordance with laws, regulations, these Articles of Association and the powers of the Board by performing the following functions and powers:

- (1) to assist in the implementation of the Company’s production, operation and management, to coordinate the implementation of the resolutions of the board of directors and to report his work to the board of directors;
- (2) to assist to organize the implementation of the Company’s annual business plan and investment proposal;
- (3) to draft plans for the establishment of the branch company of the Company;
- (4) to draft the Company’s basic management system;
- (5) to formulate specific rules and regulations for the Company;
- (6) to propose the appointment or dismissal of the Company’s senior management personnel, such as vice president, the chief financial officer and etc.;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) to determine the wages, benefits, rewards and punishments of the Company’s staff, to determine the appointment and dismissal of the Company’s staff;
- (9) to propose the convening of extraordinary meetings of directors;
- (10) other powers conferred by these Articles of Association and the board of directors.”

The current chapter 11 and Article 113 of the Articles and the subsequent existing chapters and articles of the Articles will be renumbered accordingly.

Shareholders are advised that the proposed amendments to the Articles are available in English and Chinese. The English translation of the proposed amendments is for reference only. In case of any inconsistency, the Chinese version shall prevail.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information relating to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The issued share capital of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Investor Subscription Completion; (iii) immediately after the Management Subscription Completion; (iv) immediately after the Placing Completion; and (v) immediately after the Investor Subscription Completion, the Management Subscription Completion and the Placing Completion are set out below:

(a) As at the Latest Practicable Date

	<i>Number of Shares</i>
Number of Shares in issue	
Domestic Shares	773,333,333
H Shares	293,333,334
	<hr/>
Total:	1,066,666,667
	<hr/> <hr/>

(b) Immediately after the Investor Subscription Completion (without taking into account the issue of Management Subscription Shares and the Placing Shares)

	<i>Number of Shares</i>
Number of Shares in issue	
Domestic Shares	996,429,353
H Shares	367,697,334
	<hr/>
Total:	1,364,126,687
	<hr/> <hr/>

- (c) **Immediately after the Management Subscription Completion (without taking into account the issue of the Investor Subscription Shares and the Placing Shares and assuming all the Management Subscriptions are successfully completed)**

Number of Shares

Number of Shares in issue

Domestic Shares 783,333,333

H Shares 293,333,334

Total: 1,076,666,667

- (d) **Immediately after the Placing Completion (without taking into account the issue of the Investor Subscription Shares and the Management Subscription Shares and assuming the Placing of all Placing Shares are successfully completed)**

Number of Shares

Number of Shares in issue

Domestic Shares 773,333,333

H Shares 479,999,334

Total: 1,253,332,667

- (e) **Immediately after the Investor Subscription Completion, the Management Subscription Completion and the Placing Completion**

Number of Shares

Number of Shares in issue or to be issued

Domestic Shares 1,006,429,353

H Shares 554,363,334

Total: 1,560,792,687

3. DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at the Latest Practicable Date, the interests or short positions of Directors, Supervisors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) to be recorded in the register required to be kept under Section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, were as follows:

Name of Shareholder	Position	Nature of Interest	Number and class of Shares ⁽¹⁾	Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽³⁾
Mr. Xie Yongdong ⁽⁴⁾	Director	Interest of controlled corporation	39,920,000 Domestic Shares (L)	5.16%	3.74%
		Beneficial owner	800,000 Domestic Shares (L)	0.11%	0.08%
Mr. Huang Guoshen	Director	Beneficial owner	41,760,000 Domestic Shares (L)	5.40%	3.91%
Mr. Wu Liejin	Director	Beneficial owner	32,110,351 Domestic Shares (L)	4.15%	3.01%
Ms. Wu Yanfen	Director	Beneficial owner	29,700,000 Domestic Shares (L)	3.84%	2.78%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) As at the Latest Practicable Date, the issued Domestic shares and the H shares of the Company were 773,333,333 Shares and 293,333,334 Shares, respectively.
- (3) As at the Latest Practicable Date, there were 1,066,666,667 Shares in issue.
- (4) Mr. Xie Yongdong is the only general partner of Foshan Venture Growth, which is a limited partnership directly holding 39,920,000 Domestic Shares of our Company as at the Latest Practicable Date. As Mr. Xie Yongdong, being the general partner, can solely exercise control over Foshan Venture Growth, he is deemed to be interested in the 39,920,000 Domestic Shares held by Foshan Venture Growth.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors or the chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (b) to be recorded in the register required to be kept under Section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests in associated corporations

None of the Directors, Supervisors, or the chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of associated corporations (within the meaning of Part XV of SFO) of the Company as at the Latest Practicable Date.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, the persons (not being the Directors, Supervisors or the chief executive of the Company) or corporations having interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number and class of Shares ⁽¹⁾	Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽³⁾
Yuecai HK ⁽⁴⁾	Beneficial owner	89,800,000 H Shares (L)	30.61%	8.42%
Guangdong Yuecai ⁽⁴⁾	Interest of controlled corporation	89,800,000 H Shares (L)	30.61%	8.42%
國海富蘭克林基金管理有限公司	Investment manager	25,394,000 H Shares (L)	8.66%	2.38%
Dawanjia (HK) Limited	Beneficial owner	25,554,000 H Shares (L)	8.71%	2.40%
CITIC Securities Co., Ltd.	Beneficial owner	34,904,000 H Shares (L)	11.90%	3.27%
Ms. Zhang Yubing	Beneficial owner	41,760,000 Domestic Shares (L)	5.40%	3.91%

Name of Shareholder	Nature of Interest	Number and class of Shares ⁽¹⁾	Approximate percentage of shareholding in the relevant class of Shares ⁽²⁾	Approximate percentage of shareholding in the total share capital of the Company ⁽³⁾
Foshan Venture Growth Investment Centre L.P. 佛山創業成長投資中心 (有限合夥)	Beneficial owner	39,920,000 Domestic Shares (L)	5.16%	3.74%
廣東家世界家居控股有限公司	Beneficial owner	39,028,880 Domestic Shares (L)	5.05%	3.66%
Li Zhie ⁽⁵⁾	Interest of controlled corporation	39,028,880 Domestic Shares (L)	5.05%	3.66%
The Subscriber ⁽⁶⁾	Beneficial owner	144,364,000 H Shares (L)	49.21%	13.53%
	Interest of controlled corporation	33,002,680 Domestic Shares (L)	4.27%	3.09%
	Beneficial owner	223,096,020 Domestic Shares (L)	28.85%	20.92%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) As at the Latest Practicable Date, the issued Domestic Shares and the H Shares were 773,333,333 Shares and 293,333,334 Shares, respectively.
- (3) As at the Latest Practicable Date, there were 1,066,666,667 Shares in issue.
- (4) Guangdong Yuecai holds 100% equity interest of Yuecai HK, which directly holds 89,000,000 H Shares and is deemed to be interested in 89,000,000 H Shares held by Yuecai HK.
- (5) Li Zhie holds 52.50% of 廣東家世界家居控股有限公司 and is deemed to be interested in 39,028,880 Domestic Shares held by it.
- (6) The Subscriber becomes interested in 74,364,000 H Shares and 223,096,020 Domestic Shares upon entering into the Investor Subscription Agreement and becomes interested in 70,000,000 H Shares upon entering into the Possible Shareholders’ Transaction with Yuecai HK. Fuside is owned as to 40% by the Subscriber and as to 60% by Guangdong Foshan Power Co., Ltd. (廣東佛山電力股份有限公司), a state-controlled entity in the PRC. The Subscriber is deemed to be interested in 33,002,680 Domestic Shares held by Fuside.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, other than contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, none of the Directors was aware of any material adverse change in the financial or trading position of the Group since 31 December 2016 (being the date to which the latest published audited financial statements of the Group were made up).

7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, Supervisors and their respective close associates were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses to which the Directors were nominated and appointed as directors and/or senior management to represent the interests of the Group.

8. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the experts who have given opinions or advices for inclusion in this circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital issued a letter dated 30 September 2017 for the purpose of incorporation in this circular in connection with its recommendation to the Independent Board Committee and the Independent Shareholders.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter(s), report(s), certificate(s) and/or opinion(s) (as the case may be) and the references to its name and logo included herein in the form and context in which they respectively appear.

The above expert has confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company in Hong Kong unless (i) a tropic cyclone warning signal number 8 or above is hoisted, or (ii) a black rainstorm warning signal is issued, except public holidays, from the date of this circular up to and including the date of the EGM and the Class Meetings:

- (a) the Management Subscription Agreements;
- (b) the letter from the Independent Board Committee as set out on pages 37 to 38 of this circular;

- (c) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders as set out on pages 39 to 49 of this circular;
- (d) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in Appendix I to this circular;
- (e) the Articles; and
- (f) this circular.

11. MISCELLANEOUS

- (a) The registered address of the Company is at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, PRC.
- (b) The principal place of business of the Company in the PRC is at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, PRC.
- (c) The principal place of business of the Company in Hong Kong is at 18/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.
- (d) The Hong Kong share registrar of the Company is Computershare Hong Kong Investor Services Limited at shops 1712–1716, 17 Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (e) The joint company secretaries are Mr. Wong Yat Tung, who is an associate of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators, and Mr. Zheng Zhengqiang.
- (f) In the event of any inconsistencies, the English text of this circular and the proxy forms shall prevail over the Chinese text.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



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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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Guangdong Join-Share Financing Guarantee Investment Co., Ltd. (the “Company”) will be held at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 17 November 2017 at 5 p.m. to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 30 September 2017 issued by the Company (the “Circular”) shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTIONS

1. Resolution in relation to the Investor Subscription Agreement

“**THAT:**

- (a) the Investor Subscription Agreement entered into between the Company and the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue (i) 223,096,020 Domestic Shares at RMB1.264 per Domestic Share; and (ii) 74,364,000 H Shares at HK\$1.42 per H Share be and is hereby approved, confirmed and ratified, and that all the transactions contemplated under the Investor Subscription Agreement be and are hereby approved, confirmed and ratified. A copy of the Investor Subscription Agreement is produced to the meeting marked “A” and signed by the Chairman of the EGM for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue (i) 223,096,020 Domestic Shares and (ii) 74,364,000 H Shares upon completion of the Investor Subscription Agreement to the Subscriber pursuant to the Investor Subscription Agreement;
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Investor Subscription Agreement by issuing such number of the Domestic Shares and H Shares pursuant to paragraph (b) of this resolution, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and

* *For identification purposes only*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Investor Subscription Agreement and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

2. Resolutions in relation to the Management Subscription Agreements

2.1 “THAT:

- (a) the Management Subscription Agreements entered into between the Company and each of the Connected Subscribers pursuant to which each of the Connected Subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of the Domestic Shares pursuant to the respective Management Subscription Agreement at RMB1.264 per Domestic Share be and are hereby approved, confirmed and ratified, and that all the transactions contemplated under each of the Management Subscription Agreements in relation to the Connected Subscribers be and are hereby approved, confirmed and ratified. A copy of the relevant Management Subscription Agreements is produced to the meeting marked “B” and signed by the Chairman of the EGM for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue such number of the Domestic Shares to the relevant Connected Subscribers (up to, in aggregate, 2,794,000 Domestic Shares) pursuant to the Management Subscription Agreements entered into with the relevant Connected Subscribers;
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Management Subscription Agreements entered into with the relevant Connected Subscribers by issuing such number of the Domestic Shares pursuant to paragraph (b) of this resolution no. 2.1, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Management Subscription Agreements entered into with the relevant Connected Subscribers and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

2.2 “THAT:

- (a) the Management Subscription Agreements entered into between the Company and each of the Management Subscribers (other than the Connected Subscribers) pursuant to which each of the Management Subscribers (other than the Connected Subscribers) has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of the Domestic Shares pursuant to the respective Management Subscription Agreement at RMB1.264 per Domestic Share be and are hereby approved, confirmed and ratified, and that all the transactions contemplated under the Management Subscription Agreements in relation to the Management Subscribers (other than the Connected Subscribers) be and are hereby approved, confirmed and ratified. A copy of the relevant Management Subscription Agreements is produced to the meeting marked “C” and signed by the Chairman of the EGM for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue such number of the Domestic Shares to the relevant Management Subscribers (who are not the Connected Subscribers) (up to, in aggregate, 7,206,000 Domestic Shares) pursuant to the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers);
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers) by issuing such number of the Domestic Shares pursuant to paragraph (b) of this resolution no. 2.2, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers) and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

3. Resolution in relation to the Placing Agreement

“THAT:

- (a) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) entered into between the Company and the Placing Agent in relation to the Placing, on a best effort basis, of up to 186,666,000 new H Shares in two tranches at HK\$1.42 per H Share, to not less than six Placees in each tranche of the Placing, be and is hereby approved, confirmed and ratified, and that all the transactions contemplated under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) be and are hereby approved, confirmed and ratified. A copy of the Placing Agreement and the Supplemental Placing Agreement is produced to the meeting marked “D” and “E”, respectively, and signed by the Chairman of the EGM for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue up to 186,666,000 H Shares pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement);
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Placing Agreement by issuing such number of the H Shares pursuant to paragraph (b) of this resolution, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

4. Resolution in relation to the amendments to the Articles

“**THAT:**

- (a) the proposed amendments to the Articles as set out in Appendix I to the Circular be and are hereby approved; and
- (b) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to or in connection with the proposed amendments to the Articles, including, without limitation, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

By Order of the Board

Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*

Xie Yongdong

Executive Director

Foshan, the People's Republic of China

30 September 2017

Notes:

1. In order to determine the shareholders' eligibility to attend the EGM, the register of members of the Company will be closed from Wednesday, 18 October 2017 to Friday, 17 November 2017, both days inclusive, during which no transfer of shares will be registered. Only shareholders of the Company whose names appear on the register of members of the Company on Friday, 17 November 2017 or their proxies or duly authorised corporate representatives are entitled to attend the EGM. In order to qualify for attending and voting at the EGM, all properly completed transfer documents accompanied with relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares), or the Company's registered office in the PRC at Unit 2202-2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC (for holders of domestic shares) not later than 4:30 p.m. on Tuesday, 17 October 2017.
2. A Shareholder entitled to attend and vote at the EGM may appoint one or more person (whether he/she is a Shareholder or not) to attend and vote at the same on his or her behalf.
3. The instrument appointing a proxy must be in writing and signed by a Shareholder or his duly authorized attorney. If the Shareholder is a corporation, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

4. Shareholders who intend to attend the EGM by proxy should complete the proxy form. For holders of H shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and for holders of domestic shares, the proxy form should be returned to the Company's registered office in the PRC at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC, in person or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the EGM or any adjournment thereof and voting in person.
5. Shareholders who intend to attend the EGM in person or by proxy should return the reply slip (for holders of H shares) to Computershare Hong Kong Investor Services Limited or the Company's registered office in the PRC (for holders of domestic shares) on or before Saturday, 28 October 2017.
6. Shareholders or their proxies shall provide their identity documents when attending the EGM.
7. The EGM is expected to last for less than half a day. Shareholders (in person or by proxy) attending this EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending this EGM shall present their identity certifications.
8. In case of joint holders of a share, any one of such holders is entitled to vote at the meeting either in person or by proxy for such share, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the meeting personally or by proxy.
9. The resolutions as set out above are required to be determined by way of poll.
10. The contact information of the Company is as follows:

Contact person: Mr. Zheng Zhengqiang/Ms. Song Mian

Contact Tel: (86) 186 8880 7052/(86) 139 2543 3921

NOTICE OF H SHAREHOLDERS CLASS MEETING



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)

NOTICE OF H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting (the “**H Shareholders Class Meeting**”) for holders of H Shares (the “**H Shares**”) of Guangdong Join-Share Financing Guarantee Investment Co., Ltd. (the “**Company**”) will be held on Friday, 17 November 2017 at 3:30 p.m. at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 30 September 2017 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTIONS

1. Resolution in relation to the Investor Subscription Agreement

“**THAT:**

- (a) the Investor Subscription Agreement entered into between the Company and the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue (i) 223,096,020 Domestic Shares at RMB1.264 per Domestic Share; and (ii) 74,364,000 H Shares at HK\$1.42 per H Share be and is hereby approved, confirmed and ratified, and that all the transactions contemplated under the Investor Subscription Agreement be and are hereby approved, confirmed and ratified. A copy of the Investor Subscription Agreement is produced to the meeting marked “A” and signed by the Chairman of the H Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue (i) 223,096,020 Domestic Shares and (ii) 74,364,000 H Shares upon completion of the Investor Subscription Agreement to the Subscriber pursuant to the Investor Subscription Agreement;
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Investor Subscription Agreement by issuing such number of the Domestic Shares and H Shares pursuant to paragraph (b) of this resolution, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and

* For identification purposes only

NOTICE OF H SHAREHOLDERS CLASS MEETING

- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Investor Subscription Agreement and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

2. Resolutions in relation to the Management Subscription Agreements

2.1 “THAT:

- (a) the Management Subscription Agreements entered into between the Company and each of the Connected Subscribers pursuant to which each of the Connected Subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of the Domestic Shares pursuant to the respective Management Subscription Agreement at RMB1.264 per Domestic Share be and are hereby approved, confirmed and ratified, and that all the transactions contemplated under each of the Management Subscription Agreements in relation to the Connected Subscribers be and are hereby approved, confirmed and ratified. A copy of the relevant Management Subscription Agreements is produced to the meeting marked “B” and signed by the Chairman of the H Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue such number of the Domestic Shares to the relevant Connected Subscribers (up to, in aggregate, 2,794,000 Domestic Shares) pursuant to the Management Subscription Agreements entered into with the relevant Connected Subscribers;
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Management Subscription Agreements entered into with the relevant Connected Subscribers by issuing such number of the Domestic Shares pursuant to paragraph (b) of this resolution no. 2.1, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and

NOTICE OF H SHAREHOLDERS CLASS MEETING

- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Management Subscription Agreements entered into with the relevant Connected Subscribers and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

2.2 “THAT:

- (a) the Management Subscription Agreements entered into between the Company and each of the Management Subscribers (other than the Connected Subscribers) pursuant to which each of the Management Subscribers (other than the Connected Subscribers) has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of the Domestic Shares pursuant to the respective Management Subscription Agreement at RMB1.264 per Domestic Share be and are hereby approved, confirmed and ratified, and that all the transactions contemplated under the Management Subscription Agreements in relation to the Management Subscribers (other than the Connected Subscribers) be and are hereby approved, confirmed and ratified. A copy of the relevant Management Subscription Agreements is produced to the meeting marked “C” and signed by the Chairman of the H Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue such number of the Domestic Shares to the relevant Management Subscribers (who are not the Connected Subscribers) (up to, in aggregate, 7,206,000 Domestic Shares) pursuant to the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers);
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers) by issuing such number of the Domestic Shares pursuant to paragraph (b) of this resolution no. 2.2, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers) and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

NOTICE OF H SHAREHOLDERS CLASS MEETING

3. Resolution in relation to the Placing Agreement

“THAT:

- (a) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) entered into between the Company and the Placing Agent in relation to the Placing, on a best effort basis, of up to 186,666,000 new H Shares in two tranches at HK\$1.42 per H Share, to not less than six Placees in each tranche of the Placing, be and is hereby approved, confirmed and ratified, and that all the transactions contemplated under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) be and are hereby approved, confirmed and ratified. A copy of the Placing Agreement and the Supplemental Placing Agreement is produced to the meeting marked “D” and “E”, respectively, and signed by the Chairman of the H Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue up to 186,666,000 H Shares pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement);
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Placing Agreement by issuing such number of the H Shares pursuant to paragraph (b) of this resolution, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

NOTICE OF H SHAREHOLDERS CLASS MEETING

4. Resolution in relation to the amendments to the Articles

“**THAT:**

- (a) the proposed amendments to the Articles as set out in Appendix I to the Circular be and are hereby approved; and
- (b) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to or in connection with the proposed amendments to the Articles, including, without limitation, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

By Order of the Board

Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*

Xie Yongdong

Executive Director

Foshan, the People's Republic of China

30 September 2017

Notes:

1. In order to determine the shareholders' eligibility to attend the H Shareholders Class Meeting, the register of members of H Shares of the Company will be closed from Wednesday, 18 October 2017 to Friday, 17 November 2017, both days inclusive, during which no transfer of shares will be registered. Only H Shareholders of the Company whose names appear on the register of members of H Shares of the Company on Friday, 17 November 2017 or their proxies or duly authorised corporate representatives are entitled to attend the H Shareholders Class Meeting. In order to qualify for attending and voting at the H Shareholders Class Meeting, all properly completed transfer documents accompanied with relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 17 October 2017.
2. An H Shareholder entitled to attend and vote at the H Shareholders Class Meeting may appoint one or more person (whether he/she is a Shareholder or not) to attend and vote at the same on his or her behalf.
3. The instrument appointing a proxy must be in writing and signed by an H Shareholder or his duly authorized attorney. If the H Shareholder is a corporation, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).

NOTICE OF H SHAREHOLDERS CLASS MEETING

4. H Shareholders who intend to attend the H Shareholders Class Meeting by proxy should complete the proxy form. The proxy form should be returned to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and for holders of domestic shares, in person or by post not less than 24 hours before the time fixed for holding the H Shareholders Class Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the H Shareholders Class Meeting or any adjournment thereof and voting in person.
5. H Shareholders who intend to attend the H Shareholders Class Meeting in person or by proxy should return the reply slip to Computershare Hong Kong Investor Services Limited on or before Saturday, 28 October 2017.
6. H Shareholders or their proxies shall provide their identity documents when attending the H Shareholders Class Meeting.
7. The H Shareholders Class Meeting is expected to last for less than half a day. H Shareholders (in person or by proxy) attending this H Shareholders Class Meeting are responsible for their own transportation and accommodation expenses. H Shareholders or their proxies attending this H Shareholders Class Meeting shall present their identity certifications.
8. In case of joint holders of a share, any one of such holders is entitled to vote at the meeting either in person or by proxy for such share, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the meeting personally or by proxy.
9. The resolutions as set out above are required to be determined by way of poll.
10. The contact information of the Company is as follows:

Contact person: Mr. Zheng Zhengqiang/Ms. Song Mian

Contact Tel: (86) 186 8880 7052/(86) 139 2543 3921

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING



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)

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN that a class meeting (the “**Domestic Shareholders Class Meeting**”) for holders of Domestic Shares (the “**Domestic Shares**”) of Guangdong Join-Share Financing Guarantee Investment Co., Ltd. (the “**Company**”) will be held on Friday, 17 November 2017 at 2 p.m. at Tian Lu Shan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong to consider and, if thought fit, pass the following resolutions. Capitalised terms defined in the circular dated 30 September 2017 issued by the Company (the “**Circular**”) shall have the same meanings when used herein unless otherwise specified:

SPECIAL RESOLUTIONS

1. Resolution in relation to the Investor Subscription Agreement

“**THAT:**

- (a) the Investor Subscription Agreement entered into between the Company and the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue (i) 223,096,020 Domestic Shares at RMB1.264 per Domestic Share; and (ii) 74,364,000 H Shares at HK\$1.42 per H Share be and is hereby approved, confirmed and ratified, and that all the transactions contemplated under the Investor Subscription Agreement be and are hereby approved, confirmed and ratified. A copy of the Investor Subscription Agreement is produced to the meeting marked “A” and signed by the Chairman of the Domestic Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue (i) 223,096,020 Domestic Shares and (ii) 74,364,000 H Shares upon completion of the Investor Subscription Agreement to the Subscriber pursuant to the Investor Subscription Agreement;

* For identification purposes only

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Investor Subscription Agreement by issuing such number of the Domestic Shares and H Shares pursuant to paragraph (b) of this resolution, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Investor Subscription Agreement and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

2. Resolutions in relation to the Management Subscription Agreements

2.1 “THAT:

- (a) the Management Subscription Agreements entered into between the Company and each of the Connected Subscribers pursuant to which each of the Connected Subscribers has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of the Domestic Shares pursuant to the respective Management Subscription Agreement at RMB1.264 per Domestic Share be and are hereby approved, confirmed and ratified, and that all the transactions contemplated under each of the Management Subscription Agreements in relation to the Connected Subscribers be and are hereby approved, confirmed and ratified. A copy of the relevant Management Subscription Agreements is produced to the meeting marked “B” and signed by the Chairman of the Domestic Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue such number of the Domestic Shares to the relevant Connected Subscribers (up to, in aggregate, 2,794,000 Domestic Shares) pursuant to the Management Subscription Agreements entered into with the relevant Connected Subscribers;
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Management Subscription Agreements entered into with the relevant Connected Subscribers by issuing such number of the Domestic Shares pursuant to paragraph (b) of this resolution no. 2.1, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Management Subscription Agreements entered into with the relevant Connected Subscribers and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

2.2 “THAT:

- (a) the Management Subscription Agreements entered into between the Company and each of the Management Subscribers (other than the Connected Subscribers) pursuant to which each of the Management Subscribers (other than the Connected Subscribers) has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, such number of the Domestic Shares pursuant to the respective Management Subscription Agreement at RMB1.264 per Domestic Share be and are hereby approved, confirmed and ratified, and that all the transactions contemplated under the Management Subscription Agreements in relation to the Management Subscribers (other than the Connected Subscribers) be and are hereby approved, confirmed and ratified. A copy of the relevant Management Subscription Agreements is produced to the meeting marked “C” and signed by the Chairman of the Domestic Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue such number of the Domestic Shares to the relevant Management Subscribers (who are not the Connected Subscribers) (up to, in aggregate, 7,206,000 Domestic Shares) pursuant to the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers);
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers) by issuing such number of the Domestic Shares pursuant to paragraph (b) of this resolution no. 2.2, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Management Subscription Agreements entered into with the relevant Management Subscribers (who are not the Connected Subscribers) and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

3. Resolution in relation to the Placing Agreement

“THAT:

- (a) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) entered into between the Company and the Placing Agent in relation to the Placing, on a best effort basis, of up to 186,666,000 new H Shares in two tranches at HK\$1.42 per H Share, to not less than six Placees in each tranche of the Placing, be and is hereby approved, confirmed and ratified, and that all the transactions contemplated under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) be and are hereby approved, confirmed and ratified. A copy of the Placing Agreement and the Supplemental Placing Agreement is produced to the meeting marked “D” and “E”, respectively, and signed by the Chairman of the Domestic Shareholders Class Meeting for the purpose of identification;
- (b) the Board be and is hereby granted a specific mandate to issue up to 186,666,000 H Shares pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement);
- (c) the Board be and is hereby authorised to increase the registered capital of the Company in accordance with the Placing Agreement by issuing such number of the H Shares pursuant to paragraph (b) of this resolution, to register the increased registered capital with the relevant authorities and to make consequential changes to the registered capital and the shareholding structure in the Articles; and
- (d) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to and/or to complete or in connection with the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and the transactions contemplated thereunder, including, without limitation, to approve any changes and amendments thereto, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

4. Resolution in relation to the amendments to the Articles

“**THAT:**

- (a) the proposed amendments to the Articles as set out in Appendix I to the Circular be and are hereby approved; and
- (b) any Director be and is hereby authorised to implement and take all steps and to do all acts and things which in his opinion may be necessary or desirable to give effect to or in connection with the proposed amendments to the Articles, including, without limitation, to obtain all necessary approvals from, and make all relevant registrations and filings with, the relevant PRC and other authorities, and to sign and execute such further documents, or to do any other matters incidental thereto and/or as contemplated thereunder.”

By Order of the Board

Guangdong Join-Share Financing Guarantee Investment Co., Ltd.*

Xie Yongdong

Executive Director

Foshan, the People’s Republic of China

30 September 2017

Notes:

1. In order to determine the shareholders’ eligibility to attend the Domestic Shareholders Class Meeting, the register of members of Domestic Shares of the Company will be closed from Wednesday, 18 October 2017 to Friday, 17 November 2017, both days inclusive, during which no transfer of shares will be registered. Only Domestic Shareholders of the Company whose names appear on the register of members of Domestic Shares of the Company on Friday, 17 November 2017 or their proxies or duly authorised corporate representatives are entitled to attend the Domestic Shareholders Class Meeting. In order to qualify for attending and voting at the Domestic Shareholders Class Meeting, all properly completed transfer documents accompanied with relevant share certificates must be lodged with the Company’s registered office in the PRC at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC not later than 4:30 p.m. on Tuesday, 17 October 2017.
2. A Domestic Shareholder entitled to attend and vote at the Domestic Shareholders Class Meeting may appoint one or more person (whether he/she is a Shareholder or not) to attend and vote at the same on his or her behalf.
3. The instrument appointing a proxy must be in writing and signed by a Domestic Shareholder or his duly authorized attorney. If the Domestic Shareholder is a corporation, such instrument must be either under its common seal or duly signed by its legal representative, director(s) or duly authorized attorney(s).

NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

4. Domestic Shareholders who intend to attend the Domestic Shareholders Class Meeting by proxy should complete the proxy form. The proxy form should be returned to the Company's registered office in the PRC at Unit 2202–2212, 22/F, Chuangye Building, No. 215 Fenjiang Middle Road, Foshan, Guangdong, the PRC, in person or by post not less than 24 hours before the time fixed for holding the Domestic Shareholders Class Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the Domestic Shareholders Class Meeting or any adjournment thereof and voting in person.
5. Shareholders who intend to attend the Domestic Shareholders Class Meeting in person or by proxy should return the reply slip to the Company's registered office in the PRC on or before Saturday, 28 October 2017.
6. Domestic Shareholders or their proxies shall provide their identity documents when attending the Domestic Shareholders Class Meeting.
7. The Domestic Shareholders Class Meeting is expected to last for less than half a day. Domestic Shareholders (in person or by proxy) attending this Domestic Shareholders Class Meeting are responsible for their own transportation and accommodation expenses. Domestic Shareholders or their proxies attending this Domestic Shareholders Class Meeting shall present their identity certifications.
8. In case of joint holders of a share, any one of such holders is entitled to vote at the meeting either in person or by proxy for such share, as if he/she is the only one entitled to do so among the joint holders. However, only the vote of the person whose name stands first on the register of members in respect of such share shall be accepted if more than one joint holder attend the meeting personally or by proxy.
9. The resolutions as set out above are required to be determined by way of poll.
10. The contact information of the Company is as follows:

Contact person: Mr. Zheng Zhengqiang/Ms. Song Mian

Contact Tel: (86) 186 8880 7052/(86) 139 2543 3921