
SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" starting on page 23 of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading short-term secured financing service provider in China in terms of approved registered capital, according to the Euromonitor Report. We specialize in providing short-term loans secured by collateral, also referred to as "pawn loans", to our customers. We operate in Suzhou city and the four county-level cities that are governed by the Suzhou city government, or the Greater Suzhou Area, which is the most economically advanced region in Jiangsu Province, one of the most economically developed provinces in China. As of 30 June 2013, the PRC Operating Entity had an approved registered capital of RMB500 million, the largest in Jiangsu Province and the second largest in China as of that date, and accounted for 0.5%, 5.8% and 23.8% of the aggregate approved registered capital amount for all pawn loan providers in China, Jiangsu Province and the Greater Suzhou Area, respectively, as of 31 December 2012, according to the Euromonitor Report. The approved registered capital of a pawn loan provider is directly related to its total capital available for granting loans and to the maximum sizes of various types of individual loans pursuant to the Pawning Measures. Through our 14 years of operation, we have established a sales network of 11 branches, the largest network in Jiangsu Province. Our leading position in Jiangsu Province gives us a competitive advantage in both operational scale and flexibility to cater to customers' individual needs. Through our continuing growth in revenue, registered capital and loan portfolio, we believe we are well situated to maintain and enhance our position as a leading short-term secured financing service provider in China.

Our main business involves granting our customers short-term loans secured by real estate, equity interest or personal property collateral, the initial terms of which are six months or less. Our core customers are SMEs and individual business owners in the Greater Suzhou Area, which has a particularly active private business sector according to the Euromonitor Report. We provide our customers with an alternative financing channel that is quick and convenient as compared to traditional bank loans. We have designed our loan approval and collateral appraisal processes to be efficient and transparent to specifically address customers' immediate and short-term financing needs.

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LOAN PORTFOLIO

The table below sets out the details of outstanding loans we had granted, categorised by collateral type as of the indicated dates:

	As of 31 December			As of
	2010	2011	2012	30 June
Gross loans to customers amount⁽¹⁾ (RMB'000)				
Loans secured by real estate collateral	182,641	390,457	438,740	484,921
Loans secured by equity interest collateral	357,439	249,873	245,435	247,519
Loans secured by personal property collateral	11,879	14,156	11,738	14,370
Total	551,959	654,486	695,913	746,810
Range of appraised loan-to-value ratios				
Loans secured by real estate collateral	14%–70%	11%–70%	13%–70%	20%–70%
Loans secured by equity interest collateral	10%–50%	5%–50%	4%–50%	0.4%–50%
Weighted average appraised loan-to-value ratio⁽²⁾				
Loans secured by real estate collateral	58%	57%	52%	54%
Loans secured by equity interest collateral	41%	42%	29%	30%

Notes:

- (1) Including loan interest and composite administrative fees due and receivable.
- (2) For details of calculation of weighted average appraised loan-to-value ratio, see “Business — Short-term Secured Financing Business — Collateral Appraisal” on page 151 of this prospectus.

In addition, the following table sets forth the details of loans secured by real estate and equity interest collateral we granted during the indicated periods:

	Year ended 31 December			Six months ended	
	2010	2011	2012	30 June	2012
Total number of new loans granted	287	254	158	70	56
Total new loan amount granted (RMB in millions)	1,523	1,492	1,328	531	485
Total number of loans renewed	Nil	2	34	31	23
Total loan amount renewed (RMB in millions)	Nil	21	347	315	259
Average loan repayment period (days) ⁽¹⁾	118	102	113	104	127

Note:

- (1) Representing average repayment period for all loans granted in the indicated period and repaid in full as of the Latest Practicable Date. Repayment period of a loan is the number of days between the date a loan is granted and the date the loan is repaid in full.

For more details, see “Business — Short-term Secured Financing Business” on page 139 of this prospectus.

EFFECTIVE INTEREST RATES AND INTEREST INCOME

The effective interest rate we charge on a loan includes the loan interest rate and a composite administrative fee rate. The monthly loan interest rates are set based on the prevailing PBOC Benchmark Interest Rates for six-month loans, as required by the Pawning Measures. The monthly composite administrative fee rates are individually negotiated with customers and typically

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calculated as a percentage of the loan principal amounts. During the Track Record Period, we were able to charge composite administrative fees at rates increasingly favourable to us due to the increase in our pricing power attributable to the increase in the number of our loan applications during this period. For more details, see “Business — Short-term Secured Financing Business — Pricing and Interest Charged” on page 161 of this prospectus.

The following table sets forth the ranges and averages of the annualised loan interest rates, composite administrative fee rates and effective interest rates we charged on loans secured by real estate and equity interest collateral during the indicated periods:

	Year ended 31 December									Six months ended 30 June		
	2010			2011			2012			2013		
	low	high	Average ⁽¹⁾	low	high	Average ⁽¹⁾	low	high	Average ⁽¹⁾	low	high	Average ⁽¹⁾⁽³⁾
	% of principal amount											
Loan interest												
Real estate collateral	4.86	5.35	N/A	5.35	6.00	N/A	5.59	6.00	N/A	5.59	6.00	N/A
Equity interest collateral	4.86	5.10	N/A	5.35	6.00	N/A	5.59	6.00	N/A	5.59	6.00	N/A
Composite administrative fees rate												
Real estate collateral	1.14	23.74	14.00	9.15	32.40	17.30	12.00	32.40	24.55	16.78	32.40	25.88
Equity interest collateral	9.14	28.74	11.50	9.11	30.00 ⁽²⁾	17.60	16.78	28.80	25.80	23.05	28.80	28.08
Effective interest rate												
Real estate collateral	6.00	28.60	17.70	15.00	38.40	21.60	18.00	38.40	29.56	22.37	37.99	31.10
Equity interest collateral	14.00	33.60	15.20	14.46	36.00	22.50	22.37	34.80	31.13	28.64	34.80	33.66

Notes:

- (1) The average rate equals the interest income from loans to customers of an indicated period divided by the average of the beginning and the ending balances of the gross loan amount of the same period, multiplied by 100%.
- (2) In 2011, we granted one loan secured by equity interest collateral, the monthly composite administrative fee rate of which exceeded the maximum threshold of 2.4% of the principal amount allowed under the Pawning Measures. For details, see “Business — Legal Proceedings and Compliance — Historical Non-compliance” on page 177 of this prospectus.
- (3) On an annualised basis.

The following table sets forth our interest income from loans to customers categorised by collateral type for the indicated periods:

	Year ended 31 December			Six months ended 30 June	
	2010	2011	2012	2012	2013
	RMB'000				
Real estate collateral					
Composite administrative fees	21,354	49,680	101,778	59,327	59,758
Loan interest	5,684	12,228	20,773	12,268	12,065
Total	27,038	61,908	122,551	71,595	71,823
Equity interest collateral					
Composite administrative fees	26,148	53,334	63,826	36,807	34,611
Loan interest	8,542	15,050	13,267	7,770	6,869
Total	34,690	68,384	77,093	44,577	41,480
Personal property collateral					
Composite administrative fees	4,326	4,767	6,474	3,360	4,082
Loan interest	453	584	708	420	389
Total	4,779	5,351	7,182	3,780	4,471
Total interest income from loans to customers	66,507	135,643	206,826	119,952	117,774

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OPERATING METRICS

Our return on average equity was 13.9%, 20.6% and 20.1% in the years ended 31 December 2010, 2011 and 2012 respectively, and 20.2% in the six months ended 30 June 2013 on an annualised basis. The increase from 2010 to 2011 was primarily due to our enhanced pricing power and the improvement of our operating efficiency as we scaled our business. The decrease from 2011 to 2012 was primarily due to the capital injection to the PRC Operating Entity in September 2012 after we obtained approval to increase its approved registered capital. Our return on average assets was 7.0%, 10.2% and 12.0% in the years ended 31 December 2010, 2011 and 2012, respectively, and 13.9% in the six months ended 30 June 2013 on an annualised basis, and the increase was primarily due to the improvement of our loan yield. For more details on interest income and operating metrics, please see “Financial Information — Description of Certain Line Items in the Consolidated Statements of Comprehensive Income — Interest Income” on page 218 and “— Other Key Financial Data and Operating Metrics” on page 251 of this prospectus.

RISK MANAGEMENT

We are committed to prudent risk management. We have implemented a risk control system to reduce various risks involved in our operations such as credit risk and liquidity risk. Our impaired loan ratio was 0.3%, 0.2%, 0.6% and 0.1% as of 31 December 2010, 2011 and 2012 and 30 June 2013, respectively. For loans secured by equity interest collateral, whose collateral has less liquidity as compared to real estate collateral, we require third-party guarantees to provide additional security. For more details, see “Business — Risk Management” on page 166 of this prospectus.

CUSTOMERS

The majority of our customers are SMEs and individual business owners in the Greater Suzhou Area. Our top five customers in terms of interest income in the years ended 31 December 2010, 2011 and 2012 and in the six months ended 30 June 2013 accounted for 34.4%, 30.4%, 28.3% and 44.5% of our total interest income from loans to customers for the respective periods. Our largest single customer in terms of interest income in the years ended 31 December 2010, 2011 and 2012 and in the six months ended 30 June 2013 accounted for 9.4%, 7.3%, 11.1% and 15.3% of our total interest income from loans to customers for the respective periods. For additional details on our customers, please see “Business — Short-term Secured Financing Business — Customers” on page 164 of this prospectus.

OUR COMPETITIVE STRENGTHS AND STRATEGIES

We believe the following strengths enable us to maintain our position as a leading short-term financing service provider in China: (1) market leader with largest approved registered capital in Jiangsu Province; (2) prudent and centralised risk management resulting in strong loan portfolio with low impaired loan ratio; (3) long market presence in Jiangsu Province resulting in extensive local knowledge; (4) well-established branch front and sales network; and (5) experienced management team.

Our goal is to become the largest short-term secured financing service provider in China and expand into other financial service sectors through the following strategies: (1) selectively expand in Jiangsu Province and the Yangtze River Delta area; (2) innovate our short-term secured financing services; and (3) further strengthen our risk management systems.

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SOURCES OF FUNDING FOR SHORT-TERM FINANCING SERVICES

The following table sets forth our sources of funding as of the indicated dates:

	As of 31 December			As of
	2010	2011	2012	30 June
	RMB'000			2013
Capital contributions to the PRC				
Operating Entity	250,000	250,000	500,000	500,000
Bank borrowings	160,289	350,506	220,501	270,575
Borrowings from Wuzhong Jiaye	111,184	nil	nil	nil
Statutory reserve of the PRC Operating				
Entity	3,747	10,748	16,426	16,426
Retained earnings of the PRC				
Operating Entity	<u>33,724</u>	<u>92,732</u>	<u>51,100</u>	<u>75,972</u>
Total	<u><u>558,944</u></u>	<u><u>703,986</u></u>	<u><u>788,027</u></u>	<u><u>862,973</u></u>

Borrowings from Wuzhong Jiaye were repaid in full as of 31 December 2011, and the Directors do not expect to enter into any loan transactions with Wuzhong Jiaye or other related parties in the future.

It is expected that bank borrowings will remain a major source of funding of our Group going forward. We may also seek alternate source of funding, including but not limited to raising fund by the issue of equity or debt securities by our Company as and when we consider appropriate.

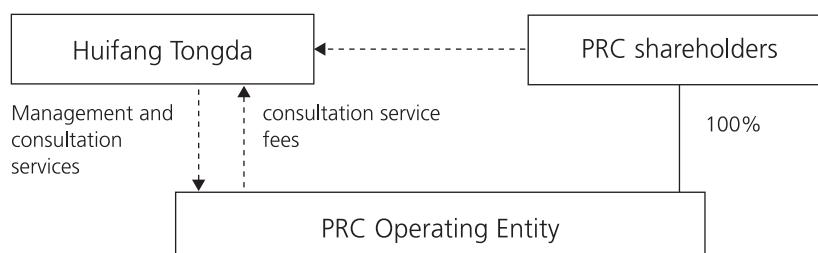
CONTRACTUAL ARRANGEMENTS AND CONTROLLING SHAREHOLDERS

As explained more fully in “Our History and Reorganisation — Contractual Arrangements” on page 120 of this prospectus, as there appears to be no legal basis upon which we as a foreign-invested company can directly own a pawn-loan business in China, we have established what is commonly referred to as a “VIE structure” in order to operate our business in China as has been done in a number of other industries in China in which similar legal and regulatory restrictions apply. As of the Latest Practicable Date, neither our PRC Legal Adviser nor we were aware of any precedents in which similar arrangements adopted by companies engaged in the pawn loan business have been enforced and upheld in the PRC courts. We do not own, directly or indirectly, any equity interest in the PRC Operating Entity, but rather manage our business operations indirectly in the PRC through the PRC Operating Entity and control the PRC Operating Entity through the Contractual Arrangements. The Contractual Arrangements consist of (i) an Exclusive Management and Consultation Service Agreement and a Supplement Agreement pursuant to which the PRC Operating Entity will pay us consultation services fees in exchange of management and consultation services we provide; (ii) an Exclusive Call Option Agreement which gives us a right to acquire the entire equity interest and/or all assets of the PRC Operating Entity as permitted by applicable PRC laws and regulations; (iii) a Proxy Agreement which authorises us to exercise all shareholder’s rights in the PRC Operating Entity; (iv) an Equity Pledge Agreement (as amended) which gives us a first priority security interest over the entire equity interest of Wuzhong Jiaye and Hengyue Consulting; (v) a VIE Transfer Agreement pursuant to which Huifang PRC transferred all its rights and obligations under Contractual Arrangements to Huifang Tongda; and (vi) a PRC Shareholders Loan Agreement which effectuates the injection of the Capital Contribution Amount into the PRC Operating Entity as registered capital. The Contractual Arrangements effectively transfer the economic benefits of the PRC Operating Entity and the risks associated therewith to Huifang Tongda, our wholly owned subsidiary in the PRC, and, on this basis, the financial position and operating results of the PRC Operating Entity are consolidated into our Group’s financial statements. As reflected below, the PRC Operating Entity is owned by a group of individuals, including our controlling shareholders and certain of our Directors. Immediately following the

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completion of the Capitalisation Issue and the Global Offering (but excluding any Shares which may be allotted and issued or sold pursuant to the exercise of the Over-allotment Option), the Controlling Shareholders will together hold approximately 31.7% of the post offering enlarged issued share capital of our Company.

The following simplified diagram illustrates the flow of economic benefits from the PRC Operating Entity to Huifang Tongda pursuant to the Contractual Arrangements:



“—” denotes legal and beneficial ownership in the equity interest and “-.->” denotes contractual relationship.

Our PRC Legal Adviser has advised us that each and all contracts under the Contractual Arrangements are legal, valid and enforceable under relevant PRC laws and regulations except that some of the dispute resolution provisions in these agreements may not be enforceable. However, our PRC Legal Adviser has also advised us that the PRC laws and regulations governing the validity of these Contractual Arrangements are uncertain and the relevant government authorities have broad discretion in interpreting such laws and regulations. A detailed discussion of the risks associated with the Contractual Arrangements, including the fact that we have not purchased any insurance to cover the risks in relation to the enforcement of the Contractual Arrangement, is included in “Risk Factors — Risks Relating to the Contractual Arrangements” starting on page 36 of this prospectus.

HISTORICAL NON-COMPLIANCE

Historically, certain loans we made to our customers did not comply with the Pawning Measures. The following table sets forth details of incidents of non-compliance with the Pawning Measures involving individual loans during the Track Record Period, categorized by the type of non-compliance:

Types of non-compliance	Number of non-compliant loans	Non-compliant interest income (RMB'000)
(i) Principal amount of an individual loan secured by real estate collateral exceeding 10% of the then-approved registered capital of the PRC Operating Entity	5	2,888
(ii) Aggregate loan amount to an individual customer exceeding 25% of then-approved registered capital of the PRC Operating Entity	3	2,170
(iii) Monthly composite administrative fee rate charged exceeding 2.4% of the principal amount of a loan secured by equity interest collateral	1	4

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In addition, during the Track Record Period, we were not in compliance with certain provisions of the Pawning Measures which allow a pawn loan provider to borrow funds from commercial banks only and set relevant thresholds for aggregate outstanding loan amounts that we can extend to our customers. The following table reflects our borrowings from a non-bank entity and sets forth the amounts borrowed from such entity and the outstanding loan amounts extended to our customers that exceeded the relevant thresholds and their percentages of the gross outstanding loan amounts as of the indicated dates:

		As of 31 December					
		2010		2011		2012	
		RMB'000	%	RMB'000	%	RMB'000	%
(iv)	Borrowing funds from Wuzhong Jiaye which is not a commercial bank ⁽¹⁾	111,184	N/A	nil	N/A	nil	N/A
(v)	Aggregate outstanding amount of loans secured by equity interest collateral exceeding 50% of the then registered capital of the PRC Operating Entity . . .	232,439	42.1	124,873	19.1	nil	N/A
(vi)	Aggregate outstanding amount of loans secured by real estate collateral exceeding the then registered capital of the PRC Operating Entity	nil	N/A	140,457	21.5	nil	N/A

Note:

(1) The loans were granted to us at arm's-length and bore variable interest rates based on the market rates of six-month bank loans and accordingly did not result in any net interest savings to us as compared with borrowings we could have received from third parties.

To address historical incidents of non-compliance, we implemented a number of internal control and risk management measures at the PRC Operating Entity, including hiring the General Manager of the PRC Operating Entity, establishing the Risk Management Committee, amending the risk control policy and developing and installing a pawn loan management IT system. In addition, the PRC Shareholders have agreed to indemnify the PRC Operating Entity for any and all fines and other losses that the PRC Operating Entity may be subject to as a result of any such non-compliance. As of 30 June 2012, all incidents of non-compliance had been rectified and there has been no incident of non-compliance since then. For a more detailed discussion of our non-compliance and measures taken to rectify them and improve our internal controls and risk management, see "Business — Legal Proceedings and Compliance — Historical Non-compliance" on page 177 of this prospectus.

RISKS INVOLVED IN OPERATING A SHORT-TERM SECURED FINANCING BUSINESS

We are subject to various risks related to the operation of a pawn loan business in China. These include (1) risks associated with managing default risk on our loans, (2) the risk that inaccurate collateral appraisals could inhibit our ability to recover loan amounts in full when we dispose of the relevant collateral, (3) potential limitations on our continued growth and business expansion, including the need for governmental approvals to increase the approved registered capital of the PRC Operating Entity, (4) risks involved in exercising control over the PRC Operating Entity through the Contractual Arrangements and (5) risks associated with the Global Offering. A detailed discussion of these and other risks involved in our business and the Global Offering are included in "Risk Factors" starting on page 23 of this prospectus.

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SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this prospectus. The summary of our consolidated financial data set forth below should be read together with our consolidated financial statements and the related notes, as well as "Financial Information" starting on page 206 of this prospectus.

The following table sets forth our consolidated statements of comprehensive income for the indicated periods:

	Year ended 31 December			Six months ended 30 June	
	2010	2011	2012	2012	2013
	(Unaudited)				
	RMB'000				
Interest income	66,552	136,228	208,460	120,108	119,563
Interest expense	(9,450)	(16,160)	(22,050)	(13,586)	(8,586)
Net interest income	57,102	120,068	186,410	106,522	110,977
Other operating income, net.	1,050	1,462	796	90	115
Net revenue	58,152	121,530	187,206	106,612	111,092
Administrative expenses	(16,554)	(32,599)	(53,320)	(32,785)	(24,377)
(Net charge)/reversal of impairment allowance on loans to customers	(2,831)	548	(2,183)	(558)	(1,066)
Other gains, net	115	25	43	(37)	374
Profit before income tax	38,882	89,504	131,746	73,232	86,023
Income tax expense	(9,855)	(23,495)	(35,705)	(20,363)	(22,046)
Profit attributable to equity holders	29,027	66,009	96,041	52,869	63,977

The following table sets forth data from our consolidated statements of financial position as of the indicated dates:

Assets and Liabilities	As of 31 December			As of 30 June
	2010	2011	2012	2013
	RMB'000			
Non-current assets.	3,523	14,264	6,177	5,795
Current assets.	565,209	716,610	860,806	973,543
Total liabilities.	281,261	377,331	264,143	312,521
Net current assets	283,948	339,279	596,663	661,022
Total equity	287,471	353,543	602,840	666,817

Our net cash flow from operating activities consists of profit before tax adjusted for interest expense, impairment charge on loans to customers, depreciation and changes in operating assets and liabilities which are mainly attributable to the changes in loans to customers. As a result of the significant increase in our loans to customers following the increase in the approved registered capital of the PRC Operating Entity, we experienced negative operating cash flows of RMB246.4

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million, RMB133.9 million and RMB32.6 million in the years ended 31 December 2010, 2011 and 2012. For further details, please refer to “Financial Information — Liquidity and Capital Resources — Net Cash Flow from Operating Activities” on page 247 and “Risk Factors — We recorded net cash outflow from operating activities during the Track Record Period and we may record net cash outflow from operating activities in the future as we expand our business” on page 27 of this prospectus.

RECENT DEVELOPMENTS

On 26 February 2013, the State Council of the PRC promulgated the Notice Regarding Continuing to Conducting Regulation and Controlling over the Real Estate Market (關於繼續做好房地產市場調控工作的通知) in order to further restrict home prices and strengthen regulation over the real estate market in various aspects. Based on publicly available data, although the announcement of such notice caused fluctuations in the real estate market in Suzhou City in the first quarter of 2013, the average home price recovered in May 2013 to approximately the price at the beginning of the year. Based on the appraisal by the third party professional appraisal company of our real estate collateral securing loans outstanding as of 30 June 2013, we do not believe that such rules and regulations had any significant impact on the market value of our real estate collateral as of 30 June 2013. Our Directors do not expect such notice and relevant implementing measures rules and regulations to have any significant adverse impact on our real estate collateral value in the near future.

The listing expenses in connection with the Global Offering consist primarily of underwriting commission and professional fees, and are estimated to be approximately RMB66.8 million. During the Track Record Period, we incurred listing expenses of RMB36.8 million, of which RMB25.8 million was charged to our consolidated statements of comprehensive income during the Track Record Period, while the remaining amount of RMB11.0 million was recorded as deferred listing expenses and will be subsequently charged to equity upon completion of the Global Offering. For the six months ending 31 December 2013, we estimate we will further incur underwriting commission and other listing expenses of approximately RMB30 million, which will be charged to equity upon completion of the Global Offering.

Our Directors confirm that since 30 June 2013 and up to the date of this prospectus, there has been no material adverse change in our financial and trading position or prospects and no material event that would affect the information contained in the Accountant’s Report as set out in Appendix I to this prospectus.

OFFERING STATISTICS

We have prepared the following offering statistics on the basis of hypothetical Offer Prices without taking into account the 1% brokerage fee, 0.003% SFC transaction levy and 0.005% Stock Exchange trading fee. We have also assumed no exercise of the Over-allotment Option.

	Based on an Offer Price of HK\$1.88 per share	Based on an Offer Price of HK\$2.28 per share
Our Company’s capitalisation upon completion of the Global Offering ⁽¹⁾	HK\$1,927.4 million	HK\$2,337.5 million
Unaudited pro forma adjusted net tangible asset per Share ⁽²⁾⁽³⁾	HK\$1.46	HK\$1.61

Notes:

- (1) The calculation of market capitalisation is based on the Offer Price and 1,025,236,000 Shares expected to be issued immediately upon completion of the Capitalisation Issue and the Global Offering.
- (2) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in Appendix II “Unaudited Pro Forma Financial Information” in this prospectus and on the basis of 1,025,236,000 Shares in issue at the respective offer price of HK\$1.88 per Share and HK\$2.28 per Share.
- (3) The translation of Renminbi amounts into Hong Kong dollars has been made at the rate of RMB0.7893 to HK\$1.00. No representation is made that the Renminbi amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate, or at any rate or at all.

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USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK\$2.08 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK\$695.8 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds of the Global Offering for the following purposes:

- approximately 90%, or HK\$626.2 million, (the “**Capital Contribution Amount**”), will be used to inject registered capital into the PRC Operating Entity for short-term secured financing service business, and we plan to use the Capital Contribution Amount primarily for granting loans secured by real estate and equity interest collateral with priority for real estate secured loans; and
- the remaining amount of approximately 10% will be used to provide funding for our working capital and other general corporate purposes. In particular, we plan to repay certain professional service fees paid on our behalf by Wuzhong America with the net proceeds of the Global Offering upon Listing. The outstanding amount of such fees was RMB15.5 million as of 30 June 2013. For more details, see “Financial Information — Description of certain line items in the consolidated statements of Financial Position — Total Liabilities” on page 244 of this prospectus.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated offer price range or if the Over-allotment Option is exercised.

For more details on our plans to increase the capital of the PRC Operating Entity using the proceeds of the Global Offering and to otherwise use such proceeds, see “Future Plans and Use of Proceeds” on page 259 of this prospectus. For additional detail with regard to certain risks relating to our plan to use the proceeds from the Global Offering, see “Risk Factors — Risks Relating to Conducting Operations in China — Our ability to use the net proceeds of the Global Offering as we intend is subject to required approvals and procedures under relevant PRC laws and regulations as well as certain contractual arrangements, which could delay, hinder or prevent us from expanding our business using some or all of the proceeds from the Global Offering, and which contractual arrangements will result in interest and other expenses going forward” on page 47 and “— Foreign exchange restrictions imposed by the PRC government could negatively affect our ability to effectively use some or all of the proceeds from the Global Offering, our liquidity, our expansion plans and our results of operations” on page 48 of this prospectus.

DIVIDEND POLICY

Subject to the Companies Law and our Articles, our Board has absolute discretion in whether to declare any dividend for any year and, if it decides to declare a dividend, how much dividend to declare. Our Directors have determined that all of our accumulated earnings prior to December 31, 2013 will be retained by the PRC Operating Entity and Huifang Tongda. We currently intend to pay dividends of approximately 30% of our profits available for distribution of each fiscal year beginning from the year ending December 31, 2014. Going forward, we will re-evaluate our dividend policy in light of our financial position and the prevailing economic climate. The determination to pay dividends will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors deem relevant. The payment of dividends may also be limited by legal restrictions and by financing agreements that we may enter into in the future. For more details on risks related to dividend payments, see “Risk Factors — We may not be able to distribute dividends to our Shareholders” on page 59 of this prospectus.