
DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s) or, where the context so requires, any of them
“Appraisal Committee”	the committee of the PRC Operating Entity responsible for appraising the value of collateral pledged for Substantial Loans, which consists of a senior accountant, a registered auctioneer, a construction cost engineer for real estate and a legal consultant
“Approval Committee”	the committee of the PRC Operating Entity responsible for reviewing applications for Substantial Loans, which consists of a branch manager, a member from the legal department, a member from the finance department, two members from the risk control department and the General Manager
“Articles” or “Articles of Association”	the articles of association of our Company (as amended from time to time), conditionally adopted on 6 October 2013, (with effect from Listing), a summary of which is set out in Appendix III to this prospectus
“Approved Registered Capital”	the registered capital of a short-term secured financing provider that is approved by MOFCOM
“Board” or “Board of Directors”	the board of directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“BVI Co 1”	Baoxiang Investment Co., Ltd (宝翔投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Zhang Xiangrong
“BVI Co 2”	Wonder Capital Co., Ltd (奇迹资本有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Ge Jian
“BVI Co 3”	Southern Swan Investment Co., Ltd (南方大雁投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Chen Yannan

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“BVI Co 4”	Yinda Investment Co., Ltd (英达投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Wei Xingfa
“BVI Co 5”	Yunbi Investment Co., Ltd (芸碧投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Yang Wuguan
“BVI Co 6”	Assyria Babylon Investment Co., Ltd (亚述巴比伦投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Zhuo You
“BVI Co 7”	Xiaolai Investment Co., Ltd (晓来投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Zhu
“BVI Co 8”	Xilai Investment Co., Ltd (喜来投资有限公司), a limited liability company incorporated under the laws of the BVI on 28 October 2011 and beneficially owned by Mr. Zhu
“Capitalisation Issue”	the issue of 642,200,000 Shares to be made upon capitalisation of an amount of HK\$6,422,000 standing to the credit of the share premium account of our Company referred to in “Statutory and General Information — A. Further Information about our Group — 2. Changes in the Share Capital of Our Company” in Appendix IV to this prospectus
“Cayman Companies Law” or “Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, Macau and Taiwan

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“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time
“Company” or “our Company”	China Huirong Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 11 November 2011, and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the time before it became the holding company of its present subsidiaries, its present subsidiaries
“Contractual Arrangements”	a series of contracts entered into by Huifang Tongda, Huifang PRC, the PRC Operating Entity, Wuzhong Jiaye, Hengyue Consulting and the PRC Shareholders (as the case may be), details of which are described in the section headed “Our History and Reorganisation — Contractual Arrangements”
“Controlling Shareholders”	BVI Co 7, BVI Co 8 and Mr. Zhu, or any of them
“CSRC”	China Securities Regulatory Commission (中國證券業監督管理委員會)
“Defaulted Loan”	a loan which we deem there to be substantial risk of non-payment by the borrower
“Director(s)”	the director(s) of our Company
“DOC”	Department of Commerce
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law
“EIT Rules”	the Regulation on the Implementation of the PRC Enterprise Income Tax Law
“Euromonitor Report”	a report from Euromonitor International, a third party market research company, commissioned by us
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Greater Suzhou Area”	Suzhou city and the four county-level cities that are governed by the Suzhou city government, namely, Changshu, Kunshan, Taichang and Zhangjiagang
“Green Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited

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“Group”, “our Group”, “we”, “our” or “us”	our Company, its subsidiaries and the PRC Operating Entity (the financial results of which have been consolidated and accounted for as the subsidiary of our Company by virtue of the Contractual Arrangements) or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries (or before such associated companies of our Company), the business operated by such subsidiaries or their predecessors (as the case may be)
“Hengyue Consulting”	蘇州新區恒悅管理諮詢有限公司 (Suzhou Xinqu Hengyue Management Consulting Co., Ltd.), a limited liability company established under the laws of the PRC on 22 October 2007, one of the direct shareholders of the PRC Operating Entity
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the 37,524,000 Shares being initially offered for subscription in the Hong Kong Public Offering, subject to reallocation
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hong Kong Underwriter”	the underwriter of the Hong Kong Public Offering listed in “Underwriting — Hong Kong Underwriter” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 15 October 2013, relating to the Hong Kong Public Offering and entered into by, among others, the Sole Global Coordinator, the Controlling Shareholders and our Company
“Huifang PRC”	Suzhou Huifang Management Consulting Co., Ltd (蘇州匯方管理諮詢有限公司), a wholly foreign-owned enterprise established under the laws of the PRC on 29 December 2011, which is an indirect wholly owned subsidiary of our Company

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“Huifang Investment”	Huifang Investment Limited (匯方投資有限公司), a limited liability company incorporated under the laws of Hong Kong on 5 December 2011 and a wholly-owned subsidiary of our Company
“Huifang Tongda”	Suzhou Huifang Tongda Management Consulting Co., Ltd (蘇州匯方同達管理諮詢有限公司), a limited liability company established in the PRC on 10 February 2012 which is an indirect wholly owned subsidiary of our Company
“interest income”	includes both loan interest and composite administrative fees, unless otherwise noted
“International Offer Shares”	the 337,712,000 Shares being initially offered in the International Offering together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option, subject to reallocation
“International Offering”	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering, which is expected to be entered into by the Sole Global Coordinator, the International Underwriters, the Controlling Shareholders and our Company on or about 22 October 2013
“International Underwriters”	the group of underwriters, led by the Sole Global Coordinator, that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
“Latest Practicable Date”	7 October 2013, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about 28 October 2013, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange

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“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“M&A Rules”	the Regulations of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) adopted by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation (國家稅務總局), the State Administration for Industry and Commerce of the PRC, the CSRC and SAFE on 8 August 2006, as amended by MOFCOM on 22 June 2009
“Memorandum”	the memorandum of association of the Company adopted on 6 October 2013, as amended from time to time
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部) or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部)
“Mr. Zhu”	Mr. Zhu Tianxiao (朱天曉), the founder of our Group, our controlling shareholder and the spouse of Mrs. Zhu
“Mrs. Zhu”	Ms. Mo Jianzhen (莫劍珍), the spouse of Mr. Zhu
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%)
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sole Global Coordinator (on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 56,285,000 Shares at the Offer Price to, among other things, cover over-allocations in the International Offering, if any
“Overdue Loan”	a loan that is not repaid in full upon expiration and is not renewed within the five-day period following the expiration date as provided by the Pawning Measures
“Pawning Measures”	the Administrative Measures for Pawning jointly issued by MOFCOM and the Ministry of Public Security (公安部) which came into effect on 1 April 2005

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“PBOC”	People’s Bank of China (中國人民銀行)
“PBOC Benchmark Interest Rate”	the standard interest rate for bank loans as announced by PBOC
“PRC Government” or “State”	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
“PRC Legal Adviser”	Haiwen & Partners, the legal advisers to our Company as to the laws of the PRC
“PRC Operating Entity”	蘇州市吳中典當有限責任公司 (Suzhou Wuzhong Pawnshop Co., Ltd.), a limited liability company established under the laws of the PRC on 21 December 1999, formerly known as 吳縣市吳中典當行有限公司 (Wuxian Wuzhong Pawnshop Co., Ltd.), a company which we do not own but the financial results of which have been consolidated and accounted for as a subsidiary of our Company by virtue of the Contractual Arrangements
“PRC Shareholders”	Mr. Zhu, Mr. Zhang Xiangrong, Mr. Ge Jian, Mr. Chen Yannan, Mr. Wei Xingfa, Mr. Yang Wuguan and Mr. Zhuo You, who are the ultimate and indirect shareholders of the Company. Except for Mr. Chen Yannan, who is an executive Director and the Chairman of the Company, and Mr. Zhuo You, who is a non-executive Director of the Company, none of the other PRC Shareholders is a director or senior management member of the Company
“Price Determination Date”	the date, expected to be on or about 22 October 2013, on which the Offer Price will be determined and, in any event, not later than 24 October 2013
“Regulation S”	Regulation S under the U.S. Securities Act
“Reorganisation”	the reorganisation of the Group in preparation of the Listing, details of which are set out in the section headed “Our History and Reorganisation — Reorganisation” in this prospectus
“Reporting Accountant”	PricewaterhouseCoopers, the reporting accountant of our Company

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“Risk Management Committee”	the five-member committee of our PRC Operating Entity responsible for the risk control management, which consists of our three executive Directors, namely, the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer, Mr. Cao Jian, a PRC certified attorney, and Mr. Liu Qiang, a professional specialised in strategic planning
“Rongda Investment”	Rongda Investment Limited (融達投資有限公司), a limited liability company incorporated under the laws of Hong Kong on 5 December 2011 and a wholly-owned subsidiary of our Company with no substantial business activities
“RMB”	Renminbi, the lawful currency of the PRC
“Runye Investment”	蘇州潤業風險投資管理有限公司 (Suzhou Runye Risk Investment Management Co., Ltd.), a limited liability company established under the laws of the PRC on 8 May 2003
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares in the capital of our Company with nominal value of HK\$0.01 each
“short-term secured financing provider” ⁽¹⁾	a financing provider like us who provides short-term secured loans to its customers
“short-term secured loan”	a loan that is secured by underlying collateral and has an initial term of no longer than six months

Note:

⁽¹⁾ We operate under the Pawning Measures promulgated by MOFCOM and the Ministry of Public Security, and accordingly, we refer to our business as pawn loan services. However, as pawn loan businesses under the Pawning Measures may engage in activities that go beyond the traditional scope of pawn loans (i.e. loans secured by personal property collateral), such as using real estate collateral and equity interest collateral to secure loans of a relatively substantial size, we also use the term “short-term secured financing services” to refer to our business in order to provide a clear understanding of the broader scope of our actual business operations in comparison to traditional pawn loan services

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“Sifang Investment”	Sifang Investment Limited (四方投資有限公司), a limited liability company incorporated under the laws of the BVI on 22 November 2011 and a wholly-owned subsidiary of the Company
“SMEs”	micro, small and medium enterprises as such terms are defined by the Small and Medium Enterprises Definition (中小企業劃型標準規定) issued by National Development and Reform Commission (中華人民共和國國家發展和改革委員會) and Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) on 18 June 2011
“Sole Global Coordinator”, “Sole Bookrunner” or “Sole Lead Manager”	UBS AG, Hong Kong Branch
“Sole Sponsor”	UBS Securities Hong Kong Limited
“State Council”	the PRC State Council (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Loan”	a loan secured by real estate or equity interest collateral, or a loan secured by personal property collateral with a principal amount of over RMB300,000
“Suzhou Xiaolai”	蘇州曉來投資管理有限公司 (Suzhou Xiaolai Investment Management Co., Ltd.), a limited liability company established under the laws of the PRC on 31 May 2010
“Tongda Investment”	Tongda Investment Limited (同達投資有限公司), a limited liability company incorporated under the laws of the BVI on 22 November 2011 and a wholly-owned subsidiary of the Company with no substantial business activity
“Track Record Period”	the three fiscal years of our Company ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013
“Underwriters”	the Hong Kong Underwriter and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended

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“VIE”	variable interest entity, which is a legal business structure that allows an investor to hold a controlling interest in the entity, without that interest being translated into possessing enough voting privileges to result in a majority
“White Form eIPO”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of White Form eIPO www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Wuzhong Education”	江蘇吳中教育投資有限公司 (Jiangsu Wuzhong Education Investment Co., Ltd.), a limited liability company established under the laws of the PRC on 21 September 2000
“Wuzhong Group”	江蘇吳中集團有限公司 (Jiangsu Wuzhong Group Co., Ltd.), a limited liability company established under the laws of the PRC on 26 May 1992, formerly known as 江蘇吳中集團公司 (Jiangsu Wuzhong Group Co.)
“Wuzhong Jiaye”	江蘇吳中嘉業集團有限公司 (Jiangsu Wuzhong Jiaye Group Co., Ltd.), a limited liability company established under the laws of the PRC on 25 April 2005, formerly known as 江蘇吳中嘉業投資有限公司 (Jiangsu Wuzhong Jiaye Investment Co., Ltd.), one of the direct shareholders of the PRC Operating Entity
“Wuzhong Real Estate”	江蘇吳中地產集團有限公司 (Jiangsu Wuzhong Real Estate Group Co., Ltd.), a limited liability company established under the laws of the PRC on 13 August 1992, formerly known as 江蘇吳中東吳產業開發公司 (Jiangsu Wuzhong Dongwu Property Development Co.), 吳縣市東吳產業開發公司 (Wuxian Dongwu Property Development Co.), and 江蘇吳中東吳產業開發有限公司 (Jiangsu Wuzhong Dongwu Property Development Co., Ltd.)
“Zhongrun Investment”	蘇州工業園區中潤投資有限公司 (Suzhou Industrial Park Zhongrun Investment Co., Ltd.), a limited liability company established under the laws of the PRC on 24 October 2007

In this prospectus, the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.