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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.*

“2012 Notice”	The Notice of Inter-ministries Joint Meeting of Financing Guarantee Business Supervision Concerning the Regulation of the Management of Customer Deposits by Financing Guarantee Institutions (融資性擔保業務監管部際聯席會議關於規範融資性擔保機構客戶擔保保證金管理的通知) promulgated by the Inter-ministerial Joint Meeting of Financing Guarantee Business Supervision on April 5, 2012, which encourages financing guarantee companies to discontinue the practice of taking customer pledged deposits from their guarantee customers
“Application Form(s)”	<b>White</b> Application Form(s), <b>Yellow</b> Application Form(s) and <b>Green</b> Application Form(s) or, where the context so requires, any of them, relating to the Hong Kong Public Offering
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix VI to this prospectus
“Beijing Credit”	Beijing Hanhua Credit Management Co., Ltd. (北京瀚華信用管理有限公司), a company incorporated in the PRC on March 15, 2012 and a wholly-owned subsidiary of our Company
“Beijing Hanhua”	Beijing Hanhua Financing Guarantee Co., Ltd. (北京瀚華融資擔保有限公司), a company incorporated in the PRC on August 11, 2006 and a wholly-owned subsidiary of our Company
“Beijing Technology”	Beijing Hanhua Internet Technology Co., Ltd. (北京瀚華網絡科技有限公司), a company incorporated in the PRC on October 11, 2013 and a wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the board of directors of our Company
“Board of Supervisors”	the board of supervisors of our Company

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## DEFINITIONS

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“Business Day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, a Sunday or a public holiday in Hong Kong
“CBRC”	the China Banking Regulatory Commission (中國銀行業監督管理委員會)
“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 clearing 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
“Changchun Micro-credit”	Changchun Hanhua Micro-credit Co., Ltd. (長春市瀚華小額貸款有限公司), a company incorporated in the PRC on January 25, 2013 with 60% of its equity interest being held by our Company. Details of the shareholding of the remaining 40% equity interest are set out in the section headed “History, Reorganization and Corporate Structure — Corporate Structure”
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this prospectus, Hong Kong, Macau and Taiwan
“Chongqing Hanhua”	Chongqing Hanhua Assets Management Co., Ltd. (重慶瀚華資產管理有限公司), a company incorporated in the PRC on May 29, 2007 and a wholly-owned subsidiary of our Company
“Chongqing Huiwei”	Chongqing Huiwei Investment Co., Ltd. (重慶惠微投資有限公司), a company incorporated in the PRC on January 7, 2013 and a wholly-owned subsidiary of our Company

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## DEFINITIONS

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“Chongqing Micro-credit”	Chongqing Yuzhong Hanhua Micro-credit Co., Ltd. (重慶市渝中區瀚華小額貸款有限責任公司), a company incorporated in the PRC on September 25, 2008 with 56% of its equity interest being held by our Company. Details of the shareholding of the remaining 44% equity interest are set out in the section headed “History, Reorganization and Corporate Structure — Corporate Structure”
“Chongqing Renhe”	Chongqing Renhe Die-casting Co., Ltd. (重慶市仁和壓鑄有限公司), a company incorporated in the PRC on February 15, 2001 and a Shareholder of our Company with 65% of its equity interest being held by Zhou Daolun, brother of Zhou Daoxue (one of our supervisors), and the remaining 35% being held by Independent Third Parties
“CIRC”	the China Insurance Regulatory Commission (中國保險監督管理委員會)
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company” or “Hanhua Financial”	Hanhua Financial Holding Co., Ltd. (瀚華金控股份有限公司), a joint stock limited company incorporated in the PRC on March 13, 2013 and, except where the context indicates otherwise, includes (i) all of its subsidiaries and (ii) with respect to the period before it became the holding company of its present subsidiaries, the businesses operated by its present subsidiaries or, as the case may be, their predecessors
“Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, refers to Mr. Tu, Loncin Holdings, Loncin Group, Huitai and Mr. Zhang Guoxiang

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## DEFINITIONS

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“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of our Company as of the Latest Practicable Date
“Domestic Shares”	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC nationals and/or PRC-incorporated entities
“EIT”	enterprise income tax of the PRC
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“Euromonitor”	Euromonitor International (Shanghai) Co., Ltd., the independent industry consultant commissioned by us to conduct a research on the credit guarantee industry and small loan industry in China
“Exchange Participant(s)”	a person: (a) who, in accordance with the Rules of the Exchange, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange
“GDP”	gross domestic product
“GEM”	the Growth Enterprise Market of the Hong Kong Stock Exchange
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Green Application Form(s)”	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
“Guiding Opinions”	Guiding Opinions on the Pilot Operation of Small Loan Companies (關於小額貸款公司試點的指導意見) jointly issued by the CBRC and the PBOC on May 4, 2008

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## DEFINITIONS

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“H Share(s)”	ordinary shares issued by us, with Renminbi denominated nominal value of RMB1.00 each in the share capital of our Company, which are to be subscribed for and traded in HK dollars and for which an application has been made for listing and permission to trade on the Hong Kong Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hanhua Guarantee”	Hanhua Guarantee Corporation Limited (瀚華擔保股份有限公司), a company incorporated in the PRC on August 19, 2009 and a wholly-owned subsidiary of our Company
“HK\$” or “HK dollars” and “cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards, which collectively include Hong Kong Accounting Standards and related interpretations, promulgated by the 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” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Offer Shares”	the H Shares offered by us for subscription pursuant to the Hong Kong Public Offering
“Hong Kong Public Offering”	the offering by our Company of initially 98,800,000 H Shares for subscription by the public in Hong Kong (subject to adjustment as described in “Structure of the Global Offering”) for cash at the Offer Price (plus brokerage, SFC transaction levies and Hong Kong Stock Exchange trading fees), on and subject to the terms and conditions described in this prospectus and the Application Forms as further described in “Structure of the Global Offering — The Hong Kong Public Offering”
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

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## DEFINITIONS

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“Hong Kong Underwriters”	the underwriters listed in “Underwriting — Hong Kong Underwriters,” being the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement dated February 27, 2014 relating to the Hong Kong Public Offering and entered into by, among others, the Joint Global Coordinators (for themselves and on behalf of the Joint Bookrunners and Hong Kong Underwriters), our Company, Loncin Holdings, Loncin Group and Huitai, as further described in “Underwriting — Hong Kong Public Offering”
“Huitai”	Chongqing Huitai Investment Co., Ltd. (重慶慧泰投資有限公司), a company incorporated in the PRC on July 15, 2009 and a Controlling Shareholder of our Company. For shareholder’s information, see “History, Reorganization and Corporate Structure — Corporate Structure”
“Independent Third Party(ies)”	an individual or a company who, as far as the Directors are aware after having made all reasonable enquiries is not a connected person of the Company within the meaning of the Listing Rules
“Interim Measures”	Interim Measures for the Administration of Financing Guarantee Companies (融資性擔保公司管理暫行辦法), jointly formulated and issued by CBRC, NDRC, Ministry of Industry and Information Technology, Ministry of Finance, Ministry of Commerce, PBOC, and SAIC in 2010
“International Offering”	the offer for subscription of initially 889,200,000 H Shares to institutional, professional, corporate and other investors, subject to adjustment and the Over-allotment Option, as further described in “Structure of the Global Offering — The International Offering”
“International Offer Shares”	the H Shares offered pursuant to the International Offering
“International Underwriters”	the Group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering

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## DEFINITIONS

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“International Underwriting Agreement”	the underwriting agreement relating to the International Offering to be entered into on or about March 7, 2014 by, among others, the Joint Global Coordinators (for themselves and on behalf of the Joint Bookrunners and the International Underwriters), our Company, Loncin Holdings, Loncin Group and Huitai, as further described in “Underwriting — International Offering”
“IT”	information technology
“Joint Bookrunners”	China International Capital Corporation Hong Kong Securities Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Credit Suisse (Hong Kong) Limited, ICBC International Capital Limited and Haitong International Securities Company Limited
“Joint Global Coordinators”	China International Capital Corporation Hong Kong Securities Limited, China Galaxy International Securities (Hong Kong) Co., Limited and Credit Suisse (Hong Kong) Limited
“Joint Lead Managers”	China International Capital Corporation Hong Kong Securities Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Credit Suisse (Hong Kong) Limited, ICBC International Securities Limited and Haitong International Securities Company Limited
“Joint Sponsors”	China International Capital Corporation Hong Kong Securities Limited and China Galaxy International Securities (Hong Kong) Co., Limited
“Kunming Micro-credit”	Kunming Panlong District Hanhua Micro-credit Co., Ltd. (昆明市盤龍區瀚華小額貸款有限公司), a company incorporated in the PRC on December 6, 2013 and a wholly-owned subsidiary of our Company
“Latest Practicable Date”	February 19, 2014, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Liaoning Hanhua”	Liaoning Hanhua Investment Guarantee Co., Ltd. (遼寧瀚華投資擔保有限公司), a company incorporated in the PRC on August 25, 2006 and a wholly-owned subsidiary of our Company
“Listing”	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange

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## DEFINITIONS

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“Listing Committee”	Listing Committee of the Hong Kong Stock Exchange
“Listing Date”	the date, expected to be on or about March 13, 2014, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Loncin”	Loncin Group and its subsidiaries
“Loncin Group”	Loncin Group Co., Ltd. (隆鑫集團有限公司), a company incorporated in the PRC on February 13, 1996, a shareholder of Loncin Holdings and a Controlling Shareholder of our Company. For shareholder’s information, see “History, Reorganization and Corporate Structure — Corporate Structure”
“Loncin Holdings”	Loncin Holdings Co., Ltd. (隆鑫控股有限公司), a company incorporated in the PRC on January 22, 2003, a subsidiary of Loncin Group and a Controlling Shareholder of our Company. For shareholder’s information, see “History, Reorganization and Corporate Structure — Corporate Structure”
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from, and operated in parallel with, GEM
“Mandatory Provisions”	the “Mandatory Provisions for Articles of Association of Companies to be Listed Overseas” (到境外上市公司章程必備條款), as amended, for inclusion in the articles of association of companies incorporated in the PRC to be listed overseas (including Hong Kong), which were originally promulgated by the former Securities Commission of the State Council and the former State Commission for Restructuring the Economic Systems on August 27, 1994
“medium loan”	our entrusted loan product, primarily between RMB3.0 million and RMB30.0 million, which we provide to SMEs through our credit guarantee network



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## DEFINITIONS

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“Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Ministry of Finance”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“Ministry of Industry and Information Technology”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“Mr. Tu”	Mr. Tu Jianhua (涂建華), an non-executive Director and a Controlling Shareholder of our Company
“Nanning Micro-credit”	Nanning Hanhua Micro-credit Co., Ltd. (南寧市瀚華小額貸款有限公司), a company incorporated in the PRC on December 8, 2011 and a wholly-owned subsidiary of our Company
“National Bureau of Statistics”	the National Bureau of Statistics of the PRC (中華人民共和國國家統計局)
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Non-competition Undertaking”	the non-competition undertaking issued by our Controlling Shareholders in favour of our Group dated February 17, 2014, details of which are set out in “Relationship with our Controlling Shareholders — Delineation of Business — Non-competition Undertaking”
“Offer Price”	the final offer price per H Share (exclusive of a brokerage fee of 1%, an SFC transaction levy of 0.003% and a Hong Kong Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for and issued, or purchased and sold, pursuant to the Global Offering
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares, with any additional H Shares to be issued and sold pursuant to the exercise of the Over-allotment Option

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## DEFINITIONS

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“Over-allotment Option”	the option granted by us to the International Underwriters, exercisable by the Joint Global Coordinators on behalf of the International Underwriters pursuant to the International Underwriting Agreement, to require our Company to issue up to an aggregate of 148,200,000 additional H Shares at the Offer Price to cover, among other things, over-allocations in the International Offering, if any, exercisable at any time from the date of the International Underwriting Agreement up to (and including) the date which is the 30th day from the last day for lodging applications under the Hong Kong Public Offering
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC GAAP”	generally accepted accounting principles in the PRC
“Price Determination Date”	the date, expected to be on or around March 7, 2014 (Hong Kong time) on which the Offer Price is determined, or such later time as our Company and the Joint Global Coordinators (on behalf of the Underwriters) may agree, but in any event not later than March 11, 2014
“prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“province”	each being a province or, where the context requires, a provincial-level autonomous region, a special economic zone or municipality under the direct administration of the State Council of the PRC
“provincial-level city”	a provincial capital city or a municipality in the PRC
“Regulation S”	Regulation S under the U.S. Securities Act
“Reorganization”	the reorganization arrangements undergone by the Group in preparation for the Listing as described in “History, Reorganization and Corporate Structure — History, Development and Reorganization — Reorganization”
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange (中華人民共和國國家外匯管理局)

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## DEFINITIONS

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“SAIC”	the State Administration for Industry & Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SAT”	the State Administration of Taxation (國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s)
“Shenyang Micro-credit”	Shenyang Financial and Commercial Development District Hanhua Technology Micro-credit Co., Ltd. (瀋陽金融商貿開發區瀚華科技小額貸款有限公司), a company incorporated in the PRC on September 30, 2011 and a wholly-owned subsidiary of our Company. Before June 5, 2013, it was named as Shenyang Heping District Hanhua Micro-credit Co., Ltd. (瀋陽市和平區瀚華小額貸款有限公司)
“Sichuan Assets Management”	Sichuan Small & Medium-sized Assets Management Co., Ltd. (四川中微資產管理有限公司), a company incorporated in the PRC on October 21, 2010 and a wholly-owned subsidiary of our Company
“Sichuan Hanhua”	Sichuan Hanhua Financing Guarantee Co., Ltd. (四川瀚華融資擔保有限公司), a company incorporated in the PRC on May 19, 2005 and a wholly-owned subsidiary of our Company
“Sichuan Micro-credit”	Sichuan Hanhua Micro-credit Co., Ltd. (四川瀚華小額貸款有限公司), a company incorporated in the PRC on May 19, 2009 with approximately 61.43% of its equity interest being held by our Company. Details of the shareholding of the remaining approximately 38.57% equity interest are set out in the section headed “History, Reorganization and Corporate Structure — Corporate Structure”

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## DEFINITIONS

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“Special Regulations”	the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定), as amended, supplemented or otherwise modified from time to time
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Supervisor(s)”	member(s) of our Board of Supervisors
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Tianjin Factoring”	Tianjin Small & Medium-sized International Factoring Co., Ltd. (天津中微國際保理有限公司), a company incorporated in the PRC on November 11, 2011 and a wholly-owned subsidiary of our Company
“Tianjin Micro-credit”	Tianjin Hanhua Micro-credit Co., Ltd. (天津瀚華小額貸款有限公司), a company incorporated in the PRC on June 29, 2011 and a wholly-owned subsidiary of our Company
“Track Record Period”	the three years ended December 31, 2012 and the ten months ended October 31, 2013
“Underwriters”	the Hong Kong Underwriters 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, its territories, its possessions and all areas subject to its jurisdiction
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“we,” “us,” “Group” or “our Group”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

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## DEFINITIONS

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“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 <a href="http://www.eipo.com.hk">www.eipo.com.hk</a>
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Xi’an Micro-credit”	Xi’an Hanhua Micro-credit Co., Ltd. (西安市瀚華小額貸款有限公司), a company incorporated in the PRC on September 12, 2013 with 65% of its equity interest being held by our Company. Details of the shareholding of remaining 35% equity interest are set out in the section headed “History, Reorganization and Corporate Structure — Corporate Structure”
“Xinjiang Huarong”	Xinjiang Huarong Tianze Dingxin Investment LLP (新疆華融天澤鼎鑫投資合夥企業(有限合夥)), a limited liability partnership incorporated in the PRC on March 14, 2013 and a Shareholder of our Company. For shareholder’s information, see “History, Reorganization and Corporate Structure”
“Yangtze River Delta”	the region comprising Jiangsu and Zhejiang provinces and Shanghai

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

*Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*

*For ease of reference, the names of the PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.*