You should carefully consider all of the information in this prospectus including the risks and uncertainties described in the following risk factors when considering making an investment in the H Shares being offered in the Global Offering. You should pay particular attention to the fact that our business and operations are conducted exclusively in the PRC and are governed by a legal and regulatory environment which in certain aspects differs from that prevailing in other countries. Our business financial conditions and results could be materially and adversely affected by any of the risks and uncertainties described below. The trading price of the H Shares may decline due to any of the risks and uncertainties and you may lose all or part of your investment. For details regarding the PRC and other relevant matters, see "Regulatory Environment," "Appendix V — Summary of Principal PRC and Hong Kong Legal and Regulatory Provisions" and "Appendix VI — Summary of the Articles of Association."

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is subject to extensive regulation and supervision by national, provincial and local government authorities, which may interfere with the way we conduct our business and may negatively impact our business and results of operations.

We are subject to extensive and complex national, provincial and local laws, rules, regulations, policies and measures with regard to our guarantee and loan operations, capital structure, pricing and provisioning policy, an overview of which is set forth in "Regulatory Environment." These laws, rules, regulations, policies and measures are issued by different central government ministries and departments as well as provincial and local government authorities, and may be enforced by different local authorities in each province in which we operate. In addition, the local authorities have broad discretion in implementing and enforcing the applicable rules and regulations. For example, according to the local rules in Chongqing, a single shareholder may not hold more than 50% of the equity interest in a micro and small loan company incorporated in Chongqing. In practice, however, we understand that the Chongqing Finance Bureau may allow a single shareholder to hold more than 50%, or even 100% under certain circumstances, of the equity interest in a locally-incorporated micro and small loan company. Furthermore, the regulation and oversight of our industries are relatively less sophisticated than those for banking and other traditional financial services industries. As a result, there are significant uncertainties in the interpretation and implementation of such laws, rules, regulations, policies and measures, which increase our compliance burden and may potentially restrain our flexibility in conducting our business, including product innovation. We rely on verbal clarifications from local government authorities from time to time which may be inconsistent with the regulations concerned.

Given the complexity, uncertainties and frequent changes in these laws, rules, regulations, policies and measures, including changes in their interpretation and implementation, our business activities and growth may be adversely affected if we do not respond to the changes in a timely manner or fail to fully comply with the applicable laws, rules, regulations, policies and measures, including as a result of ambiguities in them. For example, due to the lack of specific details in the applicable regulations and the consequential difference in the interpretations of how to calculate net assets between the competent authority and us, we were found to have violated the restriction on the maximum amount of guarantees to a single customer. See "Business — Legal Proceedings and Compliance — Non-compliance Incidents." Non-compliance may subject us to sanctions by regulatory authorities, monetary penalties, or restrictions on our activities or revocation of our licenses, which could have a material adverse affect on our business, financial condition and results of operations.

In addition, certain of our micro and small loan companies have certain inconsistencies with the Guiding Opinions and local regulatory policies and measures in terms of their respective shareholding structure, change of shareholding structure and/or registered capital. See "Business — Legal Proceedings and Compliance — Inconsistencies with the Relevant Regulatory Policies involving the Shareholding Structure, Changes in Shareholding Structure and/or Registered Capital in Our Micro and Small Loan Subsidiaries." As advised by our PRC legal advisors, such inconsistencies have been confirmed by competent authorities to be in compliance with relevant regulatory policies and legislative principals, and such government confirmation is unlikely to be overturned by other authorities and courts in China. However, there is no assurance that new or amended laws, regulations or rules will not be implemented or the competent authorities will not change their interpretations of existing laws, regulations or rules in the future to impose more stringent or different requirements on the shareholding structure, change of shareholding structure or registered capital of micro and small loan companies. To the extent we will not be in compliance with these requirements, we may be subject to rectification measures such as being ordered to change directors, supervisors and senior management, adjust the shareholding structure of our micro and small loan companies, or, under extreme circumstances, suspending business for rectification or revoking our business license. Operations of our micro and small loan companies could suffer as a result.

We largely rely on the creditworthiness of each individual customer and/or its counter-guarantors rather than collateral.

We provide credit guarantees and micro and small loans to SMEs and microenterprises across China. Unlike many commercial banks in China, we have developed a credit evaluation system based on our extensive experience in serving the SME and microenterprise sector that enables us to make credit decisions based on the creditworthiness of each customer rather than the value of collateral. As of October 31, 2013, 51.4% of our outstanding guarantees, 90.1% of our outstanding micro and small loans and 39.0% of our entrusted loans were not secured with collateral. We will continue to focus on providing credit-based financing solutions and expect a majority of our guarantee and loan portfolios to be unsecured for the foreseeable future. As a result, our products and services have different risk profiles compared to guarantees or loans that are secured with assets, and our ability to recover from default customers is more limited. Various factors could affect our customers' repayment ability, such as economic and other conditions affecting our customers and their businesses and industries, the cash flow of individual customers as well as the amount and term of loans. As our business continues to grow, our customer default rate may rise in the future, which in turn may materially and adversely affect our financial condition and results of operations.

As one of our risk control measures, we normally require counter-guarantees from the business owners and controlling persons of the borrower as well as their family members. However, we may not be able to locate counter-guarantors after a customer defaults and there is also no assurance that these persons will have sufficient financial resources to make full payment on the default customer's behalf, or at all. See "Business — Provisioning Policies and Asset Quality."

In addition, we do always require any counter-guarantors for micro loan customers in connection with small or short-term loans. As of October 31, 2013, 40.6% of our outstanding loans were neither secured by collateral nor backed by a counter-guarantor. These credit loans are subject to increased credit risks as our recourse is more limited if the borrower defaults. For a description of how we manage and control risks in our business, see "Risk Management."

Upon a customer default, if we are unable to locate the corresponding counter-guarantors, counter-guarantors have limited or no ability to repay or the loan is not backed by any counter-guarantor, we may have to apply for a court order to attach the assets, such as land, property and machinery, of the default customer and its counter-guarantors, if any, and resort to legal proceedings to enforce our unsecured interests against these assets. In China, the procedures for applying for court orders to attach assets of another person and liquidating or otherwise realizing the value of attached assets may be protracted or ultimately unsuccessful, and the enforcement process in China may be difficult for legal and practical reasons. In general, the entire recovery process may take us 18 months or more to fully or partially realize the value of the attached assets. Furthermore, the default customer and its counter-guarantors may have concealed, transferred or disposed of their assets beforehand, making it difficult or impossible for us to apply for attachment. Where the assets attached are mortgaged and registered in favor of third parties, such as a bank or another secured creditor, our interests will be ranked behind these third parties and our unsecured rights may not be enforced until secured creditors are paid in full, thereby limiting or even preventing us from benefiting from such assets.

We rely heavily on cooperation with commercial banks.

Our business, in particular our bank financing guarantee business, relies heavily on our cooperation with commercial banks. As of October 31, 2013, we had entered into cooperation arrangements with 65 commercial banks in China, which had agreed to extend in aggregate over RMB38 billion of credit lines to borrowers we guarantee. Our cooperation arrangements with banks generally have a term of one year and are renewable upon expiration. If we are unable to renew any of these existing arrangements on commercially reasonable terms, or at all, when they expire, our ability to provide bank financing guarantees to our customers would be negatively impacted. In addition, our cooperation arrangements with banks are also affected by prevailing market conditions, regulatory policies and other factors beyond our control. For example, due to the collapse of several major guarantee companies in China in 2012, certain commercial banks reduced their cooperation with financing guarantee companies in that year.

Furthermore, our cooperation arrangements are concentrated with a small number of commercial banks in China. In 2010, 2011 and 2012 and the ten months ended October 31, 2013, our five largest cooperating banks provided 75.5%, 65.8%, 53.0% and 51.7%, respectively, of the total bank financing we guaranteed, while the largest cooperating bank provided 29.8%, 30.0%, 16.9% and 18.3%, respectively, of the total bank financing we guaranteed in the same periods. Also, the proportion of security deposits the banks require from us largely depends on our business relationship and track record with them. As a result, if our relationship with one or more of our key cooperating banks deteriorates materially or terminates, our business, financial condition and results of operations may be materially and adversely affected.

As our customers are SMEs and microenterprises, our business is subject to greater credit risks and our credit risk management may not be adequate to protect against customer defaults.

The business of providing guarantees or loans involves a variety of risks, including the risk that the loans we guaranteed or made will not be repaid on time or at all, and our risk management procedures may not fully eliminate these risks.

We focus on the SME and microenterprise sector in China. Many of our customers are at the early stage of their business and have limited financial resources, making them vulnerable to adverse competitive, economic or regulatory conditions. These customers may expose us to greater credit risks than larger or more established businesses with longer operating histories. For example, largely due to the challenging credit and economic conditions in China in 2012 and 2013, we experienced a significant increase in the default payments we made. As a result, the loss/revenue ratio in our credit guarantee business increased from 3.5% in 2011 to 11.2% in 2012 and to 18.8% in the ten months ended October 31, 2013. We may in the future continue to experience increased levels of customer default and related provisions and impairment losses that could materially and adversely affect our business and results of operations.

We seek to manage our credit risk exposure through customer due diligence, credit approvals, establishing credit limits, requiring security measures and portfolio monitoring. While these procedures are designed to provide us with the information needed to implement adjustments where necessary, and to take proactive corrective actions, there can be no assurance that such measures will be effective in avoiding undue credit risk. In addition, the businesses of SMEs may be adversely affected by turmoils in regional financial markets, such as those widely reported in Wenzhou and Henan in recent years, as well as changes in global credit policies. This may result in a reduction in the amount of, or tightened approval requirements for, the funding from, banks or other financial institutions to SMEs in the PRC and thus may subject them to heightened liquidity risks. There is no assurance that our credit risk management system will be effective in preventing us from such unexpected credit risk exposure.

Our business expansion relies heavily on our capital base.

According to PRC laws and regulations, the total balance of outstanding financing guarantees provided by a guarantee company should not exceed ten times its net assets. A micro and small loan company may only borrow bank loans up to a certain percentage, usually 50%, of its paid-in capital. In addition, a micro and small loan company in China is prohibited from taking any deposits from the public for conducting banking activities. See “Regulatory Environment.” As our principal businesses are largely driven by our capital base and our SME lending business is particularly capital intensive, our business expansion will, to a significant extent, be constrained by the size of our capital base. In order to support our business growth, we may raise additional capital from time to time. However, our ability to raise additional capital may be limited by many factors, including (i) our future financial condition, results of operations and liquidity position, (ii) any government regulatory approvals, (iii) our credit rating, (iv) general market conditions for capital raising activities, in particular by financial services companies, and (v) economic, political and other conditions in and outside of the PRC. If we are unable to obtain sufficient additional capital in a timely and cost effective manner, we may not be able to grow our business as planned or at all, and our financial condition and results of operations could be materially and adversely affected. In addition, any future equity capital raisings may result in dilution of equity interests for existing shareholders.

Our historical financial results may not be indicative of our future performance.

Our business had achieved rapid growth during the Track Record Period following the substantial increase in our registered capital since 2010. In addition, our micro and small loan business commenced in 2008 and therefore has a limited operating history. Our profit increased from RMB90.0 million in 2010 to RMB517.8 million in 2012, representing a CAGR of 139.9%. For detailed analysis of our financial results, in particular our profits during the Track Record Period, see “Financial Information — Results of Operations.” However, our historical high growth rate and the limited history of our micro and small loan business make it difficult to evaluate our prospects. We may not be able to sustain our historical rapid growth or may not even be able to grow our business at all. For example, our profit decreased to RMB273.9 million in the ten months ended October 31, 2013 from RMB412.4 million in the same period in 2012.

In addition, our return on average equity in 2010, 2011 and 2012 and the ten months ended October 31, 2013 was 9.0%, 29.2%, 22.9% and 8.5%, respectively. There is no assurance that our future return on equity will be maintained at or exceed our historical levels. As additional capital will be raised by us through the Global Offering, it will have an immediate dilutive effect on our return on equity. If we are unable to deploy our new capital in an efficient and timely manner, our future return on equity may decrease.

We reported negative operating cash flows during the Track Record Period and expect to continue to do so in the near term subsequent to the Listing.

Our business of providing credit guarantees and loans to customers is capital-based, and our SME lending business is particularly capital intensive and involves substantial operating cash outflows in its ordinary course of business. Our cash used in operating activities primarily consists of extending loans, making default payments and maintaining security deposits at banks.

During the Track Record Period, our business growth was mainly supported by equity contributions which are classified as cash inflows from financing activities. We received equity contributions of RMB412.0 million, RMB498.2 million, RMB60.0 million and RMB2,296.6 million in 2010, 2011 and 2012 and the ten months ended October 31, 2013, respectively. However, the continuous growth in our credit guarantee and SME loan portfolios during the Track Record Period resulted in increased cash outflows in the form of securities deposits placed with banks and loans to customers, which were classified as cash used in operating activities. As a result of such classifications, we reported net cash used in operating activities of RMB258.7 million, RMB926.5 million, RMB377.8 million and RMB1,663.2 million (comprising RMB576.8 million, RMB1,699.3 million, RMB1,019.8 million and RMB2,265.4 million cash outflows from operating activities used in business expansion, respectively, offset by our cash inflows from operating activities of RMB318.1 million, RMB772.8 million, RMB642.0 million and RMB602.2 million, respectively) in 2010, 2011 and 2012 and the ten months ended October 31, 2013, respectively.

We plan to use approximately 70% of the net proceeds from the Global Offering for increasing the capital base of our micro and small loan business and 20% of such net proceeds for increasing the capital base of our credit guarantee business. See "Future Plans and Use of Proceeds." The additional capital is expected to be deployed in the form of expanded loan portfolio and increased securities deposits with banks to expand our guarantee portfolio, which will be classified as operating cash outflows, while the corresponding inflows of capital will be classified as financing activities. As a result, we expect to continue to report negative operating cash flows in the near term subsequent to our Listing. Negative operating cash flows may reduce our financial flexibility and our ability to obtain additional borrowings.

We may face increasing competition from existing and new market participants.

China's financial services industry for SMEs and microenterprises has experienced substantial growth in recent years, following the rapid development of the Chinese economy and the emergence of a large number of SMEs and microenterprises. According to Euromonitor, there were approximately 8,590 financing guarantee companies and 6,080 micro and small loan companies in China as of December 31, 2012.

For our credit guarantee business, our major competitors include state-owned or foreign-invested guarantee companies which have a strong presence in the regions in which we operate. For our SME lending business, our major competitors include regional micro and small loan companies, private money lenders, wealthy individuals and rural banks who lend to micro and small businesses. Some of our competitors may have lower pricing, a larger customer base, a more established business reputation, more solid business relationships with banks and government authorities, a more mature risk control mechanism or more extensive experience than we do. As we may expand our presence in the PRC, we expect to compete with competitors from other regions, some of which have better knowledge of the target customers and the local business environment and may have stronger relationships with local banks than we do. If we are unable to maintain our current level of profitability and market share as a result of increased competition, our business, financial condition and results of operations may be materially and adversely affected.

Our business model could be negatively affected by changes and fluctuations in the banking industry.

Our business model is premised on the fact that SMEs and microenterprises are generally underserved by the banking industry because commercial banks in China have been reluctant to lend to SMEs and microenterprises without credit support, such as third-party guarantees, or adequate collateral of tangible assets, and we believe that they will remain so in the foreseeable future. This has created opportunities for us to develop and expand our business. However, new trends in the banking industry or the applicable regulatory requirements may alleviate the high transaction costs or the lack of collateral and public information generally associated with bank financing to SMEs and microenterprises in China or otherwise make this business more attractive to banks. In the event that commercial banks begin to compete with us by making loans to SMEs and microenterprises on an unsecured basis or require a lower level of credit guarantee in return for higher risk-based interest rates, we may experience less demand for our guarantee services and greater competition with respect to our SME lending business. In addition, direct competition with our cooperating banks will also undermine our relationship with them and adversely affect our business, results of operations and prospects.

In addition, our business may also be subject to the factors affecting the banking industry, such as the spike in the interbank rates and the subsequent cash crunch fears as reported in the second and third quarters of 2013, as well as the increasing non-performing loan ratios as reported by the banking industry in 2013. Such factors adversely affecting the banking industry may result in a liquidity crunch and the subsequent reductions in the amount of, or tightened approval requirements for the loans available to our customers or us. As a result, we may experience reduced demand for our guarantees and less funding available to making loans. Furthermore, if our customers' business is negatively affected due to the cash crunch or tightened liquidity, our risks of customer default may increase, which may materially and adversely affect our financial condition or results of operations.

Our business is concentrated in Chongqing and Sichuan, and our financial condition and results of operations may be materially and adversely affected by significant deterioration in our business in Chongqing and Sichuan.

Our business is concentrated in Chongqing and Sichuan. Our business originated in, and has historically been focused on, Chongqing. We later expanded to Sichuan and other selected regions in the PRC over our nine years of operations. As of December 31, 2010, 2011 and 2012 and October 31, 2013, 82.2%, 70.9%, 69.1% and 59.2%, respectively, of our outstanding guarantees and 100%, 90.9%, 82.4% and 70.1%, respectively, of our outstanding micro and small loans were originated from Chongqing and Sichuan.

The economies of Chongqing and Sichuan rely, to a significant extent, on the agriculture, retail, trading and small-scale manufacturing sectors, which historically have provided significant business opportunities for SMEs and microenterprises and accordingly driven our business growth and financial performance. A significant economic downturn in Chongqing or Sichuan, however, may undermine the financial condition of our customers in these areas and their ability to repay their loans guaranteed or granted by us and our financial condition and results of operations may be materially and adversely affected as a result.

We may not be familiar with new regions or markets we enter and not be successful in expanding our branch network or offering new products and services.

We had expanded our operations into 19 provinces in China as of the Latest Practicable Date. As part of our business strategies, we plan to continue to expand our branch network and enter other regional markets in the future. However, we may be unable to replicate our success in Chongqing in other major regions or new markets. In expanding our business, we may enter markets in which we have limited, or no, experience. We may not be familiar with the local business and regulatory environment and fail to attract a sufficient number of customers due to our limited presence in that region. In addition, competitive conditions in new markets may be different from those in our existing markets and may make it difficult or impossible for us to operate profitably in these new markets. If we are unable to manage these and other difficulties in our expansion in other regions in China, our prospects and results of operations may be adversely affected.

As we continuously adjust our business strategies in response to the changing market and evolving customer needs, our new business initiatives often lead us to offer new products and services. However, we may not be able to successfully introduce new products or services to address our customers' needs because we do not have the adequate capital resources or lack the relevant experience or expertise or otherwise. In addition, we may be unable to obtain regulatory approvals for our new products and services. Furthermore, our new products and services may involve increased and unperceived risks and not be accepted by the market and they may not be as profitable as we anticipated, or at all. If we are unable to achieve the intended results for our new products and services, our business, financial condition, results of operations and prospects may be adversely affected.

For example, as part of our business strategies, we intend to develop and launch an Internet-based customer services platform as and when the regulatory and market conditions mature. We also intend to offer commercial contract bonds to guarantee SMEs' and microenterprises' performance of their commercial obligations. See "Business — Our Strategies." An Internet-based business platform may subject us to increased IT risks, such as system malfunctions, security breaches, Internet frauds and loss of customer data. The business of providing commercial contract bonds may involve us in dealing with a different customer base and risk profiles which we are unfamiliar with and potential collusion between our customer and the beneficiary of we guarantee. Our existing risk management procedures, internal controls, IT system and management expertise may not be adequate to address the business needs, and reduce the reputational and legal risks inherent, in these new products and services.

The collateral securing our guarantees or loans may not be sufficient and we may be unable to realize the value of the collateral in a timely manner, or at all.

Although we primarily base our credit decision on the creditworthiness of a customer, depending on the outcome of our credit evaluation, we may also require our customers or their counter-guarantors to provide collateral, such as land use rights or building ownership, to secure our guarantees or loans.

As of October 31, 2013, 52.5% of our outstanding financing guarantees and 10.0% of our outstanding loans were secured by collateral. The value of the collateral may decline due to various factors, including those affecting the PRC economy and real estate and financial markets in general. In addition, the procedures for liquidating or otherwise realizing the value of collateral of borrowers in China may be protracted or ultimately unsuccessful, and the enforcement process in China may be difficult for legal and practical reasons. Moreover, our rights over the collateral may be subordinated to other secured creditors with higher priority. As of October 31, 2013, 6.0% of the collateral securing our guarantees, typically being building ownership that have not been fully mortgaged by our borrowers, were registered with us having lower priority. If the borrowers providing collateral default, our security interest in the collateral may not be realized until creditors with higher priority have been paid in full and we may be subject to higher credit risks. There is no assurance that we will be able to realize the value of the collateral as we anticipated in a timely manner, or at all.

Our provisions for losses may not be adequate to cover actual losses.

As of October 31, 2013, our provisions for guarantee losses were RMB383.2 million and our allowance for impairment losses were RMB158.7 million in respect of our loan portfolio. The amount of provisions or allowance has been based on our management's assessment of, and expectations concerning, various factors affecting the quality of our guarantee and loan portfolio, such as the customers' financial condition, repayment ability, historical default rates, the anticipated realizable value of any collateral, regional economic conditions, government policies, interest rates and others, and the applicable PRC rules and regulations governing provisions for losses. For example, in light of the credit tightening and the collapse of certain guarantee companies in China in 2012, we have increased our provision ratio from 1.6% as of December 31, 2011 to 1.9% as of December 31, 2012. Many of these factors are beyond our control. If our assessment and expectations differ from actual events, or if the quality of our guarantee and loan portfolios deteriorates, our provisions or allowance may not be adequate to cover our actual losses and we may need to set aside additional provisions or allowance, which could materially and adversely affect our profitability.

We benefit from certain tax exemptions and government subsidies, the loss of or a reduction in which could reduce our profits.

During the Track Record Period, benefiting from the "Western Development Program," certain of our operating subsidiaries in Chongqing and Sichuan were subject to a 15% EIT rate, as compared to a statutory rate of 25% under the EIT Law. In addition, we also received government subsidies for providing credit guarantees to SMEs in China. In 2010, 2011 and 2012 and the ten months ended October 31, 2013, our government subsidies amounted to RMB7.6 million, RMB31.5 million, RMB26.2 million and RMB12.3 million, respectively, representing 8.4%, 6.6%, 5.1% and 4.5% of our profit for the same periods, respectively.

However, we cannot assure you that we will continue to receive the same preferential tax treatments or government subsidies as the relevant government policies may change over time. Any loss or reduction in preferential tax treatments or government subsidies could have an adverse effect on our results of operations, prospects and financial position.

Our risk management framework, policies and procedures and internal controls may not fully protect us against various risks inherent in our business.

We have established an internal risk management framework, policies and procedures to manage our risk exposures, primarily credit risk, operational risk, compliance risk and legal risk as well as liquidity risk. These risk management policies and procedures are based upon historical behaviors and our experience in the industry. They may not be adequate or effective in managing our future risk exposures or protecting us against unidentified or unanticipated risks, which could be significantly greater than those indicated by our historical experience. Although we are continuously updating these policies and procedures, they may fail to predict future risks due to rapid changes in the market and regulatory conditions, and new markets we enter.

Although we have established internal controls to ensure our risk management policies and procedures are adhered to by our employees in the business activities, our internal controls may not effectively prevent or detect any non-compliance of our policies and procedures, which may have a material adverse effect on our business, financial condition and results of operations.

We have in the past identified certain deficiencies in the implementation of our internal control procedures as a result of departures from certain procedural and record-keeping requirements. There is no assurance that additional internal control deficiencies will not be identified in the future. For details of such internal control deficiencies, see "Risk Management — Certain Internal Control Deficiencies." In response to these internal control deficiencies identified, we have adopted policies to remediate control processes and procedures in order to prevent a recurrence of the circumstances that resulted in such internal control deficiencies. There is no assurance that these steps will be successful in preventing the same or similar internal control deficiencies in the future. Failure to address our internal control and other deficiencies in a timely and effective manner may undermine the effectiveness of our risk management system, result in inaccuracies in our financial reporting, and may also increase the potential for financial losses and non-compliance with regulations. As a result, our asset quality, business, financial condition and results of operations may be materially and adversely affected.

Effective implementation of our risk management and internal controls also depends on our employees. Due to the large size of our operations and our extensive branch network across China, we cannot assure you that this implementation will not involve human error or mistakes, which may significantly undercut the effectiveness and performance of our risk management and internal controls, resulting in a material adverse effect on our business, results of operations and financial position.

Employee misconduct is difficult to detect and could harm our reputation and business.

Employee misconduct may include approving a transaction beyond authorized credit limits, hiding key customer information in the due diligence process, engaging in fraudulent or other improper activities, or otherwise not complying with laws or our risk management procedures. It is not always possible to deter or prevent employee misconduct, and the precautions we take to prevent and to detect such activities may not be effective in all cases. We cannot assure you that future incidents of employee misconduct will not subject us to serious penalties or limitations on our business activities. We could also suffer from negative publicity, reputational damage, monetary losses or litigation losses as a result of the misconduct of our employees.

We have limited information regarding the SMEs and microenterprises and individuals to which we provide our financial services, and our ability to perform customer due diligence or detect customer fraud may be compromised as a result.

Our credit evaluation depends primarily on customer due diligence. There is very limited information available about SMEs and microenterprises. For example, the accounting records or other financial information of our customers might not have been well maintained, their business model and procedures might not have been documented and they may not have sufficient internal controls as the larger corporate entities would have. We rely on our project managers to conduct due diligence in respect of our customers and to obtain and verify the information necessary to enable us to make credit evaluations. See “Risk Management.” Lack or inadequacy of information may not only result in additional efforts and costs on, but also undermine the effectiveness of, our customer due diligence. We cannot assure you that our customer due diligence will uncover all material information necessary to make a fully informed decision, nor can we assure you that our due diligence efforts will be sufficient to detect fraud committed by our customers. If we fail to perform thorough due diligence or discover customer fraud or intentional deceit, the quality of our credit evaluation may be compromised. A failure to effectively measure and limit the credit risk associated with our guarantee and loan portfolio could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we may be unable to monitor our customers’ actual use of the financing we guaranteed or provided, or verify if our customers have other undisclosed private money or borrowings. We may not be able to detect our customers’ suspicious or illegal transactions, such as money laundering activities, in our business and we may suffer financial and/or reputational damage as a result.

A failure or significant delay in integrating our new information technology systems or upgrading our existing information technology systems could adversely affect our business.

Our IT systems are integral to many aspects of our business operations, including data entry and collection, transaction processing, portfolio monitoring, risk management and customer services. We believe that in order to remain competitive and further strengthen our risk and financial management capabilities, we need to constantly upgrade our existing IT systems as we expand our business and as we introduce new products and services. We are currently deploying a new IT platform that provides firm-wide customer data collection and management as well as portfolio monitoring and reporting. See “Business — Information

Technology." However, we cannot assure you that we will be able to successfully integrate our new system with our business on a timely or cost-effective basis, or at all. Failure to do so may cause disruption of our operation and adversely affect our competitiveness and our results of operations. We may also face IT risks arising from the improper performance or malfunction of our IT system.

Our continued success is dependent on senior management and our ability to attract and retain qualified personnel.

Our success has been, and in the future will be, dependent on the continued services of our executive directors and senior management, referred to in "Directors, Supervisors, Senior Management and Employees." There is no assurance, however, that any or all of the senior management will continue their employment with us. If any of the senior management is unable or unwilling to continue his or her service, we may not be able to find a suitable replacement easily and in a timely manner. The loss of the services of any of the senior management and the failure to find a suitable replacement might cause disruption to our business and could have an adverse impact on our ability to manage or operate the business effectively.

Our performance is also dependent on the talents and efforts of highly-skilled individuals. As a result, our continued ability to effectively compete, manage and expand our business depends on our ability to retain and motivate our existing employees and attract new talented and diverse employees. Given our relatively lean human resources structure, the loss of services of any employee holding an important position or possessing industry expertise or experience, including those relating to matters such as risk management, credit evaluation, sales and marketing, collection, and accounting and financial management, could have a material adverse effect on our results of operations, business and prospects. Competition in the financial services industry for qualified employees has often been intense, and we may also need to offer higher compensation and other benefits to attract new personnel. A failure to attract and retain qualified personnel and any significant increase in staffing costs could have a negative impact on our ability to maintain our competitive position and grow our business.

The future development and implementation of anti-money laundering laws in China may increase our obligation to supervise and report transactions with our customers, thereby increasing our compliance efforts and costs and exposing us to criminal or administrative sanctions for non-compliance.

We believe, based on advice from our PRC legal advisors, that we are not currently subject to PRC anti-money laundering laws and regulations and are not required to establish specific identification and reporting procedures relating to anti-money laundering. PRC laws and regulations relating to anti-money laundering have evolved significantly in recent years and may continue to develop. In the future, we may be required to supervise and report transactions with our customers for anti-money laundering or other purposes, which may increase our compliance efforts and costs and may expose us to potential criminal or administrative sanctions if we fail to establish and implement the required procedures or otherwise fail to comply with the relevant laws and regulations.

Our Controlling Shareholders' interests may not be aligned with our interests or the interests of other Shareholders.

Our Controlling Shareholders will be able to exercise 33.33% of the voting rights of our Company immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised). As such, the Controlling Shareholders have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of Directors, timing and amount of dividends or other distributions, if any, and other significant corporate actions. In the event that the interests of the Controlling Shareholders conflict with those of our other Shareholders, or if the Controlling Shareholders choose to cause us to pursue objectives that would conflict with the interests of public Shareholders, those other Shareholders may be left in a disadvantageous position.

RISKS RELATING TO DOING BUSINESS IN THE PRC

China's economic, political and social conditions, as well as regulatory policies, significantly affect the financial markets in China, as well as our liquidity, access to capital and ability to operate our business.

We are incorporated, and our operations and assets are primarily located, in the PRC. Accordingly, our results of operations, financial condition and prospects are subject to the economic, political and legal developments in China. China's economy differs from the economies of developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While China's economy has experienced significant growth in the past few decades, growth has been uneven across different regions and economic sectors and there is no assurance that such growth can be sustained or is sustainable. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures benefit the overall PRC economy, but may negatively affect us. For example, our financial condition and results of operations may be adversely affected by the following factors:

- an economic downturn in China or any regional market in China;
- inaccurate assessment of the economic conditions of the markets in which we operate;
- economic policies and initiatives undertaken by the PRC government;
- changes in the PRC or regional business or regulatory environment affecting the SME and microenterprise sector;
- changes to prevailing market interest rates;

- a higher rate of bankruptcy; and
- the deterioration of the creditworthiness of SMEs and microenterprises in general.

In addition, unfavorable financial or economic environments in recent years, including those affected by the continued global financial uncertainties and the Euro zone sovereign debt crisis, have had and may continue to have an adverse impact on investors' confidence and financial markets in China. Moreover, concerns over capital market volatility and liquidity issues, inflation, geopolitical issues, the availability and cost of credit and unemployment rate have resulted in adverse market conditions in China, which may materially and adversely affect our business and operations.

We may not in all cases be able to capitalize on the economic reform measures adopted by the PRC government. Changes in the economic, political and social conditions or the relevant policies of the PRC government, such as changes in laws and regulations (or the interpretation thereof) or restrictive financial measures, could have adverse effects on the overall economic growth of the PRC, which could subsequently hinder our current or future business, growth strategies, financial condition and results of operations.

The PRC government's control over foreign currency conversion may limit our foreign exchange transactions, including dividend payment to holders of our H Shares.

Currently, Renminbi still cannot be freely converted into any foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. There is no assurance that, under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends following the completion of the Global Offering, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to our Shareholders or to satisfy any other foreign exchange requirements.

Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in the PRC could limit the legal protections available to the Shareholders.

PRC laws and regulations govern our operation in the PRC. We and all of our subsidiaries are organized under PRC laws. The PRC legal system is a civil law system based on written statutes, and prior court decisions have little precedent value and can only be used as a reference. Additionally, PRC written statutes are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. However, due to the fact that these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, interpretation of the PRC laws and regulations involves a degree, sometimes a significant degree, of uncertainty. Depending on the governmental agency or how an application or case is presented to such agency, we may receive less favorable interpretations of laws and regulations than our competitors. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management attention. All of these uncertainties may limit the legal protections available to our investors and Shareholders.

The national and regional economies in the PRC and our prospects may be adversely affected by natural disasters, acts of God, and the occurrence of epidemics.

Our business is subject to general economic and social conditions in the PRC. Natural disasters, epidemics and other acts of God which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the PRC. Some regions in the PRC, including the cities where we operate, such as Chengdu and Chongqing, are under the threat of earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as Severe Acute Respiratory Syndrome, SARS, H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1) or the recent cases of H7N9. For instance, two serious earthquakes hit Sichuan province in May 2008 and April 2013 and resulted in significant loss of lives and destruction of assets in the region. In addition, past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies in the PRC. A recurrence of SARS or an outbreak of any other epidemics in the PRC, such as the H5N1 or the H7N9 avian flu, especially in the cities where we have operations, may result in material disruptions to our business, which in turn may adversely affect our financial condition and results of operations.

Foreign individual holders of our H Shares are subject to PRC income tax and there are uncertainties as to the PRC tax obligations of foreign enterprises that are holders of our H Shares.

Under current PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us or the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate under China's Individual Income Tax Law (中華人民共和國個人所得稅法). Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdictions in which the foreign individuals reside reduce, or provide an exemption for, the relevant tax obligations. Generally, a convenient tax rate of 10% shall apply to the dividends paid by a company listed in Hong Kong to foreign individuals according to the tax treaties between the PRC and Hong Kong. When a tax rate of 10% is not applicable, the withholding company shall: (1) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (2) withhold such foreign individual income tax at the applicable tax rate if the applicable tax rate is between 10% and 20%; and (3) withhold such foreign individual income tax at a rate of 20% if no double taxation treaty is applicable.

For Non-PRC Resident Enterprises that do not have establishments or premises in China, or have establishments or premises in China but their income is not related to such establishments or premises, under the EIT Law, dividends paid by us and the gains realized by such foreign enterprises upon the sale or other disposition of H Shares are ordinarily subject to PRC enterprise income tax at a 20% rate. In accordance with the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to Shareholders Which are Overseas Non-resident Enterprises (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知) issued by the State Administration of Taxation, such tax rate has been reduced to 10%, subject to a further reduction under a special arrangement or applicable treaty between China and the jurisdiction of the residence of the relevant Non-PRC Resident Enterprise.

Despite the arrangements mentioned above, there are significant uncertainties as to the interpretation and application of applicable PRC tax laws and rules due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%.

In addition, there remains significant uncertainty as to the interpretation and application of applicable PRC tax laws and rules by the PRC's tax authorities, including the taxation of capital gains by Non-PRC Resident Enterprises, individual income tax on dividends to non-PRC resident individual holders of our H Shares and on gains realized on the sale or other disposition of our H Shares. The PRC's tax laws, rules and regulations may also change. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your investment in our H Shares may be materially affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profit. Distributable profit is our profit as determined under PRC GAAP or HKFRSs, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profit under PRC GAAP is different from the calculation under HKFRSs in certain respects, our operating subsidiaries may not have distributable profit as determined under PRC GAAP, even if they have profit for that year as determined under HKFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries.

Failure by our operating subsidiaries to pay us dividends could negatively impact our cash flow and our ability to make dividend distributions to our Shareholders, including periods in which we are profitable.

Holders of H Shares may experience difficulties in effecting service of legal process and enforcing judgments against us, our Directors, Supervisors or senior management and to take action on the basis of violations of the Listing Rules.

We are a company incorporated under the laws of the PRC and all of our assets and subsidiaries are located in the PRC. Substantially all of our Directors, Supervisors and senior management reside within the PRC. The assets of these Directors, Supervisors and senior management are also located within the PRC. As a result, it may not be possible to effect service of process upon most of our Directors, Supervisors and senior management outside the PRC. Moreover, the PRC does not have treaties providing for reciprocal recognition and enforcement of court judgments in the United States, the United Kingdom, Japan or most other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, in the PRC or Hong Kong, recognition and enforcement of court judgments from the jurisdictions mentioned above may be difficult or impossible in relation to any matter that is not subject to a binding arbitration provision. On July 14, 2006, the Supreme People's Court of the PRC and the government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排). Under this arrangement, where any designated People's Court of the PRC or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People's Court of the PRC or Hong Kong court for recognition and enforcement of the judgment. Although this arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the arrangement remain uncertain.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and their liquidity and market price may be volatile.

Prior to the Global Offering, there was no public market for our H Shares. The initial offer price range for our H Shares was the result of negotiations among us and the Joint Global Coordinators (on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for our H Shares following the Global Offering. We have applied for the listing of, and permission to deal in, our H Shares on the Hong Kong Stock Exchange. A listing on the Hong Kong Stock Exchange, however, does not guarantee that an active trading market for our H Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our H Shares will not decline following completion of the Global Offering. In addition, there can be no assurance that the Global Offering will result in the development of an active and liquid public trading market for our H Shares. Furthermore, the price and trading volume of our H Shares may be volatile. Factors such as variations in our revenue, earnings and cash flows may affect the volume and price at which our H Shares will be traded.

Since there will be a gap of several days between pricing and trading of our H Shares, holders of our H Shares are subject to the risk that the price of our H Shares could fall during the period before trading of our H Shares begins.

The Offer Price of our H Shares is expected to be determined on the Price Determination Date. However, our H Shares will not commence trading on the Hong Kong Stock Exchange until they are delivered, which is expected to be four Hong Kong business days after the pricing date. As a result, investors may not be able to sell or deal in our H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the price of our H Shares could fall before trading begins as a result of adverse market conditions or other adverse developments, that could occur between the time of sale and the time trading begins.

Because the Offer Price is higher than our net tangible book value per Share, you will incur immediate dilution.

The Offer Price of our Offer Shares is higher than the net tangible book value per Share issued to existing holders of our Shares. Therefore, all investors and purchasers of our Offer Shares in the Global Offering will experience an immediate dilution in pro forma net tangible book value and existing holders of our Shares will receive an increase in net tangible book value per Share of their Shares. If we issue additional equity securities or equity-linked securities in the future, investors and purchasers of Shares may experience further dilution in their ownership percentage.

Future sales, or market perception of sales, of substantial amounts of our H Shares or other securities relating to our H Shares in the public market could materially and adversely affect the prevailing market price of our H Shares.

Future sales by our Shareholders of substantial amounts of our H Shares or other securities relating to our H Shares in the public markets after the Global Offering, or the perception that these sales may occur, could adversely affect market prices of our H Shares prevailing from time to time. In addition, Domestic Shares can be converted into H Shares after Listing subject to relevant laws and regulations and approvals. See "Information about this Prospectus and the Global Offering — Restrictions on the Offer and Sale of the Offer Shares and the Use of this Prospectus" for a more detailed discussion of restrictions that may apply to future sales of our H Shares. After these restrictions lapse, the market price of our H Shares may decline as a result of future sales of substantial amounts of our H Shares or other securities relating to our H Shares in the public market, the issuance of new H Shares or other securities relating to our H Shares, the conversion of substantial amounts of Domestic Shares into H Shares or the perception that such sales, conversion or issuances may occur. This could also materially and adversely affect our ability to raise capital at a time and at a price we deem appropriate.

We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favorable return to our Shareholders. We plan to use the net proceeds from the Global Offering to further develop our micro and small loan business and credit guarantee business and to offer new products and services. For details of our intended use of proceeds, see "Future Plans and Use of Proceeds." However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the net proceeds from this Global Offering.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the market price for our H Shares and trading volume may decline.

The trading market for our H Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the market price for our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume of our H Shares to decline.

We cannot assure you of the accuracy or comparability of facts, forecasts and statistics contained in this prospectus with respect to the PRC, the PRC economy and the industries in which we operate.

We have derived certain facts, forecasts and other statistics in this prospectus, particularly those relating to the PRC, the PRC economy and the industries in which we operate, from the industry report prepared by Euromonitor, various publicly available official governmental sources or other third-party sources. While we have taken reasonable care in the reproduction of the information, it has not been prepared or independently verified by us, the underwriters or any of our or their respective affiliates or advisors, and, therefore, we cannot assure you as to the accuracy and reliability of such facts, forecasts, and statistics, which may not be consistent with other information compiled inside or outside the PRC. Such facts, forecasts and statistics include the facts, forecasts and statistics used in "Summary," "Risk Factors," "Industry Overview," "Business" and "Financial Information." Because of possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such facts, forecasts or statistics.

You should read the entire prospectus carefully, and we strongly caution investors not to place any reliance on any information contained in press articles or other media regarding us and the Global Offering.

There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

You should rely solely upon the information contained in this prospectus, the Application Forms and any formal announcements made by us in Hong Kong in making your investment decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our Global Offering. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus, the Application Forms and any announcement we made.