

1. FURTHER INFORMATION ABOUT OUR COMPANY**A. Incorporation**

The Company, formerly Hanhua Guarantee Co., Ltd., a PRC limited liability company, was established as a joint stock limited company under the Company Law on March 13, 2013. Our Company has established a place of business in Hong Kong at 8/F, Gloucester Tower, the Landmark 15 Queen's Rd, Central, Hong Kong, PRC, and has been registered as a non-Hong Kong company in Hong Kong under Part XI of the Hong Kong Companies Ordinance on October 22, 2013. Ms. Lai Siu Kuen has been appointed as our agent for the acceptance of service of process in Hong Kong. As we are incorporated in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in Appendix VI. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in Appendix V.

B. Changes in Capital

On the date of our incorporation on July 28, 2004, our registered capital was RMB100 million, which has been fully paid up. The following sets out the changes in our share capital since the date of our incorporation:

- (a) in May 2005, Hainan Gelindao Investment Co., Ltd. transferred its 40% equity interest in our Company to Chongqing Tianqi Asset Management Co., Ltd.;
- (b) in March 2006, Hainan Xinghuayuan Trading Investment Co., Ltd. transferred its 40% equity interest in our Company to Chongqing Tianqi Asset Management Co., Ltd.. In the meantime, our registered capital was increased from RMB100 million to RMB200 million. The increased registered capital was subscribed by Chongqing Tianqi Asset Management Co., Ltd.;
- (c) in July 2006, Hainan Xinghuayuan Trading Investment Co., Ltd. transferred its 10% equity interest in our Company to Chongqing Zhaoqi Investment Advisory Co., Ltd.;
- (d) in December 2008, our registered capital was increased from RMB200 million to RMB250 million. The increased registered capital was subscribed by Chongqing Tianqi Asset Management Co., Ltd. (as to RMB45 million) and Chongqing Zhaoqi Investment Advisory Co., Ltd. (as to RMB5 million);
- (e) in September 2009, Chongqing Tianqi Asset Management Co., Ltd. and Chongqing Zhaoqi Investment Advisory Co., Ltd. transferred their respective equity interests in our Company to Chongqing Loncin Industry (Group) Co., Ltd.;
- (f) in January 2010, Chongqing Loncin Industry (Group) Co., Ltd. transferred its equity interest in our Company to Chongqing Loncin Enterprise Co., Ltd.;

- (g) in March 2010, our registered capital was increased from RMB250 million to RMB300 million. The increased registered capital was subscribed by Chongqing Loncin Enterprise Co., Ltd. (as to RMB35 million) and Chongqing Lian'en Enterprise Co., Ltd. (as to RMB15 million);
- (h) in December 2012, Chongqing Lian'en Enterprise Co., Ltd. transferred its 5% equity interest in our Company to Chongqing Loncin Investment Co., Ltd.;
- (i) in January 2013, Chongqing Loncin Enterprise Co., Ltd. and Chongqing Loncin Investment Co., Ltd. transferred their respective equity interests in our Company to Loncin Holdings;
- (j) during our Reorganization in February 2013, our registered capital was increased from RMB300 million to approximately RMB1,977 million. For more details of the Reorganization, see “History, Reorganization and Corporate Structure — History, Development and Reorganization — Reorganization” in this prospectus;
- (k) at the time of our establishment as a joint stock limited liability company on March 13, 2013, our initial registered capital was RMB2,769,856,131, divided into 2,769,856,131 Domestic Shares with a nominal value of RMB1.00 each, all of which were fully paid up;
- (l) in March 2013, our registered capital was increased from RMB2,769,856,131 to RMB2,850 million. The increased registered capital was subscribed by 148 management personnel and employees of our Group;
- (m) in May 2013, our registered capital was increased from RMB2,850 million to RMB3,010 million. The increased registered capital was subscribed by Xinjiang Huarong and Chongqing Renhe; and
- (n) in May 2013, our registered capital was increased from RMB3,010 million to RMB3,430 million. The increased registered capital was subscribed by the Eleven Investors.

Upon completion of the Global Offering, but without taking into account any H Shares which may be issued by our Company pursuant to the Over-allotment Option, our registered capital will be increased to RMB4,418,000,000, made up of 3,430,000,000 Domestic Shares and 988,000,000 H Shares fully paid up or credited as fully paid up, representing approximately 77.64% and 22.36% of our registered capital, respectively. Save as aforesaid, there has been no alteration in our share capital since our establishment.

C. The Company's Extraordinary General Meeting held on June 17, 2013

At an extraordinary general meeting of our Company held on June 17, 2013, among other things, the following resolutions were passed by the Shareholders of our Company:

- (a) the issue by the Company of the H Shares with a nominal value of RMB1.00 each up to 1,070 million Shares in total (without taking into account the H Shares which may be issued upon the exercise of the Over-allotment Option) and such H Shares to be listed on the Stock Exchange; and
- (b) subject to the completion of the Global Offering, the Articles of Association has been approved and adopted, which shall only become effective on the Listing Date, and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities.

D. Our Reorganization

We underwent the Reorganization, details of which are set out in the section headed "History, Reorganization and Corporate Structure" in this prospectus. As confirmed by DeHeng Law Offices, our PRC legal advisors, we have obtained all necessary approvals from relevant PRC regulatory authorities required for the implementation of the Reorganization.

2. OUR SUBSIDIARIES

Our subsidiaries (for the purpose of the Listing Rules) are set out under the financial information in the Accountants' Report as included in Appendix I to this prospectus. The following alterations in the registered capital of our subsidiaries have taken place within the two years preceding the date of this prospectus:

(1) Hanhua Guarantee

- (a) On May 4, 2012, the registered capital of Hanhua Guarantee was increased from RMB1,905,000,000 to RMB2,095,500,000; and
- (b) On March 28, 2013, the registered capital of Hanhua Guarantee was increased from RMB2,095,500,000 to RMB3,000,000,000.

(2) Sichuan Micro-credit

- (a) On July 26, 2013, the registered capital of Sichuan Micro-credit was increased from RMB300,000,000 to RMB400,000,000.

(b) On December 30, 2013, the registered capital of Sichuan Micro-credit was increased from RMB400,000,000 to RMB500,000,000; and

(c) On January 23, 2014, the registered capital of Sichuan Micro-credit was increased from RMB500,000,000 to RMB700,000,000.

(3) Sichuan Assets Management

On June 25, 2013, the registered capital of Sichuan Assets Management was increased from RMB60,000,000 to RMB200,000,000.

(4) Liaoning Hanhua

On April 8, 2013, the registered capital of Liaoning Hanhua was increased from RMB200,000,000 to RMB300,000,000.

(5) Sichuan Hanhua

On April 9, 2013, the registered capital of Sichuan Hanhua was increased from RMB300,000,000 to RMB500,000,000.

(6) Nanning Micro-credit

(a) On August 24, 2012, the registered capital of Nanning Micro-credit was increased from RMB40,000,000 to RMB50,000,000; and

(b) On June 21, 2013, the registered capital of Nanning Micro-credit was increased from RMB50,000,000 to RMB150,000,000.

(7) Shenyang Micro-credit

(a) On June 7, 2012, the registered capital of Shenyang Micro-credit was increased from RMB50,000,000 to RMB100,000,000; and

(b) On June 5, 2013, the registered capital of Shenyang Micro-credit was increased from RMB100,000,000 to RMB300,000,000.

(8) Chongqing Micro-credit

(a) On March 26, 2012, the registered capital of Chongqing Micro-credit was increased from RMB100,000,000 to RMB300,000,000; and

(b) On May 30, 2013, the registered capital of Chongqing Micro-credit was increased from RMB300,000,000 to RMB500,000,000.

(9) Changchun Micro-credit

On May 23, 2013, the registered capital of Changchun Micro-credit was increased from RMB50,000,000 to RMB100,000,000.

(10) Tianjin Micro-credit

On July 31, 2013, the registered capital of Tianjin Micro-credit was increased from RMB50,000,000 to RMB100,000,000.

Save as disclosed in this prospectus, there has been no alteration in the share capital of any of our subsidiaries mentioned above within the two years immediately preceding the date of this prospectus.

3. FURTHER INFORMATION ABOUT OUR BUSINESS**A. Summary of Our Material Contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus which are or may be material, and a copy of each has been delivered to the Registrar for registration:

- (1) a share transfer agreement dated January 9, 2013, entered into between Hanhua Guarantee Co., Ltd. and Chongqing Huiwei, pursuant to which Chongqing Huiwei acquired 2.0955 million shares of Huanhua Guarantee from Hanhua Guarantee Co., Ltd. for a consideration of RMB2.0955 million;
- (2) an equity transfer agreement dated January 28, 2013, entered into between Hanhua Guarantee Co., Ltd. and Huang Jie, pursuant to which Hanhua Guarantee Co., Ltd. acquired 6.67% of equity interest of Sichuan Micro-credit from Huang Jie for a consideration equivalent to the lower of the audited or valued net assets of the above equity interest as of December 31, 2012. If Sichuan Micro-credit made dividends for the profits of the year of 2012, such dividends should be deducted accordingly;
- (3) an equity transfer agreement dated January 28, 2013, entered into between Hanhua Guarantee and Chongqing Hanhua, pursuant to which Chongqing Hanhua acquired 45% of equity interest of Sichuan Micro-credit from Hanhua Guarantee for a consideration of RMB151.2 million;
- (4) a debt-to-equity conversion agreement dated February 2, 2013, entered into between Hanhua Guarantee Co., Ltd. and Loncin Holdings, pursuant to which Loncin Holdings agreed to convert the outstanding debt owed by Hanhua Guarantee Co., Ltd. to Loncin Holdings with an amount of RMB266,451,337.47 valued as of December 31, 2012, into the registered capital with an amount of RMB266,451,337.47 of Hanhua Guarantee Co., Ltd.;

- (5) a capital increase agreement dated February 21, 2013, entered into by Hanhua Guarantee Co., Ltd. with 28 then existing shareholders of Hanhua Guarantee and Huang Jie (then existing shareholder of Sichuan Micro-credit), who agreed thereunder to subscribe for the newly issued capital of Hanhua Guarantee Co., Ltd. by their respective equity interests in Hanhua Guarantee and in Sichuan Micro-credit and by cash for a total consideration of RMB2,068,250,402;
- (6) a share capital subscription agreement dated March 13, 2013, entered into among our Company and 148 management members and employees of our Group, pursuant to which the 148 management members and employees of our Group agreed to subscribe for 80,143,869 shares of our Company for a total consideration of RMB92.07 million, details of which are set out in “History, Reorganization and Corporate Structure – History, Development and Reorganization – Reorganization – 4. Capital Contribution to the Company by 148 Management and Employees”;
- (7) an equity transfer agreement dated March 18, 2013, entered into between our Company and Hanhua Guarantee, pursuant to which our Company acquired 100% of equity interest of Sichuan Assets Management from Hanhua Guarantee for a consideration of RMB60 million;
- (8) an equity transfer agreement dated March 20, 2013, entered into between our Company and Hanhua Guarantee, pursuant to which our Company acquired 100% of equity interest of Chongqing Hanhua from Hanhua Guarantee for a consideration of RMB100 million;
- (9) an equity transfer agreement dated March 20, 2013, entered into between our Company and Hanhua Guarantee, pursuant to which our Company acquired 100% of equity interest of Beijing Credit from Hanhua Guarantee for a consideration of RMB5 million;
- (10) an equity transfer agreement dated April 2, 2013, entered into between Hanhua Guarantee and Chongqing Boxin Investment Co., Ltd., pursuant to which Hanhua Guarantee acquired 6% of equity interest of Chongqing Micro-credit from Chongqing Boxin Investment Co., Ltd. for a consideration of RMB31.74 million;
- (11) an equity transfer agreement dated April 2, 2013, entered into between Hanhua Guarantee and Chongqing Huiyuan Investment Co., Ltd., pursuant to which Hanhua Guarantee acquired 2% of equity interest of Chongqing Micro-credit from Chongqing Huiyuan Investment Co., Ltd. for a consideration of RMB10.58 million;
- (12) an equity transfer agreement dated April 2, 2013, entered into between Hanhua Guarantee and Hu Xuejun, pursuant to which Hanhua Guarantee acquired 6% of equity interest of Chongqing Micro-credit from Hu Xuejun for a consideration of RMB36,613,649.65;

- (13) an equity transfer agreement dated April 2, 2013, entered into between Hanhua Guarantee and Peng Ying, pursuant to which Hanhua Guarantee acquired 6% of equity interest of Chongqing Micro-credit from Peng Ying for a consideration of RMB44,873,649.65;
- (14) an equity transfer agreement dated April 2, 2013, entered into between Hanhua Guarantee and Qin Yong, pursuant to which Hanhua Guarantee acquired 3% of equity interest of Chongqing Micro-credit from Qin Yong for a consideration of RMB22,436,824.83;
- (15) a capital subscription agreement dated May 10, 2013, entered into among Tianjin Micro-credit, our Company, and the existing shareholders of Tianjin Micro-credit (Beijing Hanhua, Sichuan Assets Management and Chongqing Hanhua), pursuant to which our Company agreed to subscribe for the newly issued RMB50 million registered capital of Tianjin Micro-credit for a consideration of RMB50 million;
- (16) a capital increase agreement dated May 10, 2013, entered into among our Company, Xinjiang Huarong, Chongqing Renhe, Loncin Holdings and Huitai, pursuant to which Xinjiang Huarong agreed to subscribe for the newly issued 100 million shares of our Company for a consideration of RMB200 million and Chongqing Renhe agreed to subscribe for the newly issued 60 million shares of our Company for a consideration of RMB120 million;
- (17) a capital increase agreement dated May 27, 2013, entered into among Sichuan Hongrun Trading Co., Ltd., Chongqing Pingwei Technology (Group) Co., Ltd., Fan Xiulian, Wang Junmin, Chongqing Xinjiali Lamp Co., Ltd., Chongqing Auto Muffler Co., Ltd., Shandong Binhai Huifu Investment L.L.P., Chongqing Longli Real Estate Development Co., Ltd., Yan Kai, Chongqing Qianneng Industry (Group) Co., Ltd. and Shenyang Huining Investment Co., Ltd. (the “Eleven Investors”), and our Company, pursuant to which the Eleven Investors agreed to subscribe for the total newly issued 420 million shares of our Company for a total consideration of RMB945 million. Details of the capital increase agreement are set out in the section headed “History, Reorganization and Corporate Structure – Capital Subscription After Reorganization – 2. Capital Subscription on May 27, 2013”;
- (18) an undertaking dated June 3, 2013 issued by Loncin Group, Loncin Holdings and Tu Jianhua, pursuant to which Loncin Group, Loncin Holdings and Tu Jianhua have jointly and severally undertaken to fully indemnify the Company for any cost arising from the historical incidents of untimely payments of social security fund and housing provident fund;

- (19) an equity transfer agreement dated June 5, 2013, entered into between our Company and Li Wenjing, pursuant to which our Company agreed to acquire the equity interest held by Li Wenjing in Shengyang Micro-credit for a consideration of RMB5 million;
- (20) an equity transfer agreement dated June 5, 2013, entered into between our Company and Tan Liyan, pursuant to which our Company agreed to acquire the equity interest held by Tan Liyan in Shengyang Micro-credit for a consideration of RMB0.5 million;
- (21) an equity transfer agreement dated June 5, 2013, entered into between our Company and Hu Xuejun, pursuant to which our Company agreed to acquire the equity interest held by Hu Xuejun in Shengyang Micro-credit for a consideration of RMB5 million;
- (22) an equity transfer agreement dated June 5, 2013, entered into between our Company and Qin Yong, pursuant to which our Company agreed to acquire the equity interest held by Qin Yong in Shengyang Micro-credit for a consideration of RMB5 million;
- (23) an equity transfer agreement dated June 5, 2013, entered into between our Company and Sichuan Assets Management, pursuant to which our Company agreed to acquire the equity interest held by Sichuan Assets Management in Shengyang Micro-credit for a consideration of RMB29.5 million;
- (24) an equity transfer agreement dated June 5, 2013, entered into between our Company and Chongqing Huiyuan Investment Co., Ltd., pursuant to which our Company agreed to acquire the equity interest held by Chongqing Huiyuan Investment Co., Ltd. in Shengyang Micro-credit for a consideration of RMB5 million;
- (25) an equity transfer agreement dated June 5, 2013, entered into between our Company and Hanhua Guarantee, pursuant to which our Company agreed to acquire the equity interest held by Hanhua Guarantee in Shengyang Micro-credit for a consideration of RMB15 million;
- (26) an equity transfer agreement dated June 5, 2013, entered into between our Company and Chongqing Honghua Financial Consultants Ltd. Co., pursuant to which our Company agreed to acquire the equity interest held by Chongqing Honghua Financial Consultants Ltd. Co. in Shengyang Micro-credit for a consideration of RMB5 million;
- (27) an equity transfer agreement dated June 5, 2013, entered into between our Company and Liaoning Hanhua, pursuant to which our Company agreed to acquire the equity interest held by Liaoning Hanhua in Shengyang Micro-credit for a consideration of RMB30 million;

- (28) a share incentive agreement dated June 20, 2013, entered into among our Company, Huitai, Zhang Guoxiang, Li Ruping and other 13 senior management members of our Company, details of which are set out in “Directors, Supervisors, Senior Management and Employees – Share Incentive Scheme – Implementation of Share Incentive Scheme”;
- (29) an equity transfer agreement dated June 21, 2013, entered into between our Company and Hanhua Guarantee, pursuant to which our Company acquired 28.33% of equity interest of Sichuan Micro-credit from Hanhua Guarantee for a consideration of RMB93.42 million;
- (30) an equity transfer agreement dated July 10, 2013, entered into between our Company and Sichuan Hanhua, pursuant to which our Company acquired 13.33% of equity interest of Sichuan Micro-credit from Sichuan Hanhua for a consideration of RMB43.96 million;
- (31) a capital increase agreement dated December 11, 2013 entered into among our Company, Li Tong and Chongqing Hanhua (together the “Existing Shareholders”), Sichuan Chuanzhixin Commercial Trading Co., Ltd. (四川川之信商貿有限公司) and Chengdu Huachuan Highway Construction Group Co., Ltd. (成都華川公路建設集團有限公司) (together the “New Shareholders”) and Sichuan Micro-credit, pursuant to which each of the New Shareholders agreed to contribute an amount of RMB52 million to Sichuan Micro-credit respectively, and each to pay additional RMB5.2 million to the Existing Shareholders as the consideration for the Existing Shareholders to waive their pre-emptive rights to subscribe for the newly issued shares of Sichuan Micro-credit;
- (32) a capital increase agreement dated January 9, 2014, entered into among our Company, Li Tong, Chongqing Hanhua, Sichuan Chuanzhixin Commercial Trading Co., Ltd., Chengdu Huachuan Highway Construction Group Co., Ltd., Chengdu Metallic Materials Co., Ltd. (成都市金屬材料有限公司) and Sichuan Micro-credit, pursuant to which, 1) our Company, Chengdu Huachuan Highway Construction Group Co., Ltd. and Chengdu Metallic Materials Co., Ltd. agreed to contribute an amount of RMB52.5 million, RMB52.5 million and RMB105 million to Sichuan Micro-credit, respectively; and 2) Chengdu Huachuan Highway Construction Group Co., Ltd. and Chengdu Metallic Materials Co., Ltd. agreed to pay additional RMB5.25 million and RMB10.50 million, respectively, to the Company, Li Tong and Chongqing Hanhua as the consideration for the Company, Li Tong and Chongqing Hanhua to waive their pre-emptive rights to subscribe for the newly issued shares of Sichuan Micro-credit;
- (33) the Non-competition Undertaking;

- (34) a cornerstone investment agreement dated February 24, 2014, entered into among Shandong State-owned Assets Investment Holdings Co., Ltd., China International Capital Corporation Hong Kong Securities Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Credit Suisse (Hong Kong) Limited and us, pursuant to which Shandong State-owned Assets Investment Holdings Co., Ltd. agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of USD30,000,000, as detailed in the section headed “Cornerstone Investments” in this prospectus;
- (35) a cornerstone investment agreement dated February 25, 2014, entered into among Jun Yang Solar Power Investments Limited, China International Capital Corporation Hong Kong Securities Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Credit Suisse (Hong Kong) Limited and us, pursuant to which Jun Yang Solar Power Investments Limited agreed to subscribe for our H Shares in the amount of the Hong Kong dollars equivalent of USD10,000,000, as detailed in the section headed “Cornerstone Investments” in this prospectus; and
- (36) the Hong Kong Underwriting Agreement.

B. Our intellectual property rights

(a) *Patents*

Based on the information provided by the Company and pursuant to due examination by the Company’s PRC legal advisors, as of October 31, 2013, the Group did not own any patent which is within the period of validity or under application.

(b) *Proprietary Technology*

Based on the information provided by the Company and pursuant to due examination by the Company’s PRC legal advisors, as of October 31, 2013, the Group did not have any self-owned proprietary technology or any licensed proprietary technology.








(c) *Trademarks*

As of October 31, 2013, the trademarks owned by the Group are set out as follows:

No.	Trademark	Registered Number	Applicant	Duration	Class (Note)
1		4347526	The Company	October 28, 2008 – October 27, 2018	36

No.	Trademark	Registered Number	Applicant	Duration	Class (Note)
2		4347527	The Company	October 28, 2008 – October 27, 2018	36
3		4347528	The Company	October 28, 2008 – October 27, 2018	36
4	HANHUA	4347529	The Company	April 28, 2009 – April 27, 2019	36
5	HANHUA	4347530	The Company	August 28, 2008 – August 27, 2018	35
6		4347531	The Company	May 21, 2008 – May 20, 2018	36
7		4347532	The Company	May 21, 2008 – May 20, 2018	35
8		4347533	The Company	October 28, 2008 – October 27, 2018	36
9	HANHUA	7066742	The Company	August 21, 2010 – August 20, 2020	36
10	HANHUA	7066743	The Company	August 7, 2010 – August 6, 2020	45
11		7066752	The Company	August 28, 2010 – August 27, 2020	35
12		7066753	The Company	August 21, 2010 – August 20, 2020	36
13		7066755	The Company	August 28, 2010 – August 27, 2020	35

No.	Trademark	Registered Number	Applicant	Duration	Class (Note)
14		7066757	The Company	August 21, 2010 – August 20, 2020	36
15		7066758	The Company	August 7, 2010 – August 6, 2020	45
16		7066759	The Company	August 28, 2010 – August 27, 2020	35
17		7066760	The Company	August 21, 2010 – August 20, 2020	36
18		7066976	The Company	August 7, 2010 – August 6, 2020	45
19		7066977	The Company	August 21, 2010 – August 20, 2020	36
20		7124662	The Company	September 14, 2010 – September 13, 2020	36
21		10995894	Hanhua Guarantee	September 28, 2013 – September 27, 2023	35
22		10996135	Hanhua Guarantee	September 21, 2013 – September 20, 2023	36

No.	Trademark	Registered Number	Applicant	Duration	Class (Note)
23		10996323	Hanhua Guarantee	September 28, 2013 – September 27, 2023	35
24		10996443	Hanhua Guarantee	September 28, 2013 – September 27, 2023	36
25		10996576	Hanhua Guarantee	January 7, 2014 – January 6, 2024	35
26		10996722	Hanhua Guarantee	September 28, 2013 – September 27, 2023	36
27		10996831	Hanhua Guarantee	September 21, 2013 – September 20, 2023	35
28		10996961	Hanhua Guarantee	October 7, 2013 – October 6, 2023	36
29		11002425	Hanhua Guarantee	January 7, 2014 – January 6, 2024	35

Notes:

Class 35 Advertising; business management; business administration; office functions.

Class 36 Insurance; financial affairs; monetary affairs; real estate affairs.

Class 45 Legal services; personal and social services rendered by others to meet the needs of individuals; security services for the protection of property and individuals.

4. DISCLOSURE OF INTERESTS

A. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Global Offering (without taking into account the H shares which may be issued upon exercise of the Over-allotment Option), the following persons will have an interest or a short position in our Shares or underlying shares of our Company which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Shareholder	Number of Shares held after the Global Offering	Nature of interests	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering (%)	Approximate percentage of shareholding in the total share capital of the Company after the Global Offering (%)
Loncin Holdings (i)	1,472,458,628 Domestic Shares	Legal owner and interest through voting arrangement with Huitai	42.93	33.33
Loncin Group (ii)	1,472,458,628 Domestic Shares	Beneficial owner/interest of controlled corporation and interest through voting arrangement with Huitai	42.93	33.33
Mr. Tu (iii)	1,472,458,628 Domestic Shares	Beneficial owner/interest of controlled corporation and interest through voting arrangement with Huitai	42.93	33.33
Huitai	270,269,848 Domestic Shares	Legal owner	7.88	6.12
Mr. Zhang Guoxiang (iv)	273,038,709 Domestic Shares	Legal owner and beneficial owner/interest of controlled corporation	7.96	6.18

Shareholder	Number of Shares held after the Global Offering	Nature of interests	Approximate percentage of shareholding in the relevant class of Shares after the Global Offering (%)	Approximate percentage of shareholding in the total share capital of the Company after the Global Offering (%)
Chongqing Jiulong	231,532,653 Domestic Shares	Legal owner	6.75	5.24
Ms. Wang Fangfei (v)	231,532,653 Domestic Shares	Beneficial owner/interest of controlled corporation	6.75	5.24
Ms. Wang Mingyue	269,824,593 Domestic Shares	Legal owner	7.87	6.11
Ms. Liu Tingrong (vi)	269,824,593 Domestic Shares	Beneficial owner	7.87	6.11

Notes:

- (i) Loncin Holdings directly holds 1,202,188,780 Domestic Shares of our Company. Based on the voting arrangement with Huitai, Loncin Holdings is deemed to be able to exercise the voting rights of the 270,269,848 Domestic Shares held by Huitai. For more details, see “Directors, Supervisors, Senior Management and Employees.”
- (ii) Loncin Group directly holds 98% of the equity interests of Loncin Holdings, which directly holds 1,202,188,780 Domestic Shares of our Company. Accordingly, under the SFO, Loncin Group is deemed to be interested in the 1,202,188,780 Domestic Shares held by Loncin Holdings. Based on the voting arrangement with Huitai, Loncin Group is deemed to be able to exercise the voting rights of the 270,269,848 Domestic Shares held by Huitai. For more details, see “Directors, Supervisors, Senior Management and Employees.”
- (iii) Mr. Tu directly holds 98% of the equity interests of Loncin Group, which directly holds 98% of the equity interests of Loncin Holdings. Mr. Tu also directly holds 2% of the remaining equity interests of Loncin Holdings. Accordingly, under the SFO, Mr. Tu is deemed to be interested in the 1,202,188,780 Domestic Shares held by Loncin Holdings. Based on the voting arrangement with Huitai, Mr. Tu is deemed to be able to exercise the voting rights of the 270,269,848 Domestic Shares held by Huitai. For more details, see “Directors, Supervisors, Senior Management and Employees.”
- (iv) Mr. Zhang Guoxiang directly holds approximately 62.1% of the equity interests of Huitai, which directly holds 270,269,848 Domestic Shares of our Company. Accordingly, under the SFO, Mr. Zhang Guoxiang is deemed to be interested in the 270,269,848 Domestic Shares held by Huitai. Mr. Zhang Guoxiang also directly holds 2,768,861 Domestic Shares of our Company.
- (v) Ms. Wang Fangfei directly holds 55% of the equity interests of Chongqing Jiulong Investment Co., Ltd., which directly holds 231,532,653 Domestic Shares of our Company. Accordingly, under the SFO, Ms. Wang Fangfei is deemed to be interested in the 231,532,653 Domestic Shares held by Chongqing Jiulong Investment Co., Ltd.
- (vi) Ms. Liu Tingrong is the daughter of Ms. Wang Mingyue, who directly holds 269,824,593 Domestic Shares of our Company. Accordingly, under the SFO, Ms. Liu Tingrong is deemed to be interested in the 269,824,593 Domestic Shares held by Ms. Wang Mingyue.

B. Disclosure of the Directors', Supervisors' and President's interests in the registered capital of associated corporations of the Company

Immediately following completion of the Global Offering and assuming the Over-allotment Option is not exercised, the interests and short positions of each of our Directors, Supervisors and President of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors and Listed Issuers to be notified to us and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) will be as follows:

(a) Interest in our Company

Name	Position	Type of Interest	Number of Shares held after the Global Offering	Approximate percentage of shareholding of immediately prior to the Global Offering (%)	Approximate percentage of shareholding interests immediately after the Global Offering (assuming the Over-Allotment Option is not exercised) (%)	Approximate percentage of shareholding interests immediately after the Global Offering (assuming the Over-Allotment Option is exercised in full) (%)
Mr. Tu (i)	Non-executive Director	Beneficial owner/interest of controlled corporation and interest through voting arrangement with Huitai	1,472,458,628 Domestic Shares	42.93	33.33	32.25
Mr. Zhang Guoxiang (ii)	Executive Director, Chairman of Board and president	Legal Owner and beneficial owner/interest of controlled corporation	273,038,709 Domestic Shares	7.96	6.18	5.98
Ms. Liu Tingrong (iii)	Non-executive Director	Beneficial owner	269,824,593 Domestic Shares	7.87	6.11	5.91

Name	Position	Type of Interest	Number of Shares held after the Global Offering	Approximate percentage of shareholding interests immediately prior to the Global Offering (%)	Approximate percentage of shareholding interests after the Global Offering (assuming the Over-Allotment Option is not exercised) (%)	Approximate percentage of shareholding interests after the Global Offering (assuming the Over-Allotment Option is exercised in full) (%)
Ms. Wang Fangfei (iv)	Non-executive Director	Beneficial owner/interest of controlled corporation	231,532,653 Domestic Shares	6.75	5.24	5.07
Mr. Zhou Daoxue (v)	Supervisor	Beneficial owner/interest of controlled corporation	140,145,918 Domestic Shares	4.09	3.17	3.07
Mr. Liu Bolin (vi)	Non-executive Director	Beneficial owner/interest of controlled corporation	120,000,000 Domestic Shares	3.50	2.72	2.63
Mr. Feng Yongxiang (vii)	Non-executive Director	Beneficial owner/interest of controlled corporation	106,861,226 Domestic Shares	3.12	2.42	2.34
Mr. Li Ruping	Supervisor	Legal Owner	2,205,795 Domestic Shares	0.06	0.05	0.05
Mr. Lin Feng	Executive Director	Legal Owner	2,058,742 Domestic Shares	0.06	0.05	0.05
Ms. Liu Jiaoyang	Non-executive Director	Legal Owner	441,159 Domestic Shares	0.01	0.01	0.01
Mr. Chen Zhonghua	Supervisor	Legal Owner	441,159 Domestic Shares	0.01	0.01	0.01

Notes:

- (i) Mr. Tu directly holds 98% of the equity interests of Loncin Group, which directly holds 98% of the equity interests of Loncin Holdings. Mr. Tu also directly holds 2% of the remaining equity interests of Loncin Holdings. Accordingly, Mr. Tu is deemed to be interested in the 1,202,188,780 Domestic Shares held by of Loncin Holdings. Based on the voting arrangement with Huitai, Mr. Tu is deemed to be able to exercise the voting rights of the 270,269,848 Domestic Shares held by Huitai. For more details, see “Directors, Supervisors, Senior Management and Employees.”

- (ii) Mr. Zhang Guoxiang directly holds approximately 62.1% of the equity interests of Huitai, which directly holds 270,269,848 Domestic Shares of our Company. Accordingly, Mr. Zhang Guoxiang is deemed to be interested in the 270,269,848 Domestic Shares held by Huitai. Mr. Zhang Guoxiang also directly holds 2,768,861 Domestic Shares of our Company.
- (iii) Ms. Liu Tingrong is the daughter of Ms. Wang Mingyue, who directly holds 269,824,593 Domestic Shares of our Company. Accordingly, Ms. Liu Tingrong is deemed to be interested in the 269,824,593 Domestic Shares held by Ms. Wang Mingyue.
- (iv) Ms. Wang Fangfei directly holds 55% of the equity interests of Chongqing Jiulong Investment Co., Ltd., which directly holds 231,532,653 Domestic Shares of our Company. Accordingly, Ms. Wang Fangfei is deemed to be interested in the 231,532,653 Domestic Shares held by Chongqing Jiulong Investment Co., Ltd.
- (v) Mr. Zhou Daolun, brother of Mr. Zhou Daoxue, holds 65% of the equity interests of Chongqing Renhe, which directly holds 60,000,000 Domestic Shares of our Company. Mr. Zhou Daoxue also act as supervisor of Chongqing Renhe's supervisor. Accordingly, Mr. Zhou Daoxue is deemed to be interested in the 60,000,000 Domestic Shares held by Chongqing Renhe. Mr. Zhou Daoxue also directly holds 80,145,918 Domestic Shares of our Company.
- (vi) Mr. Liu Bolin directly holds 75% of the equity interests of Sichuan Hongrun Trading Co., Ltd., which directly holds 120,000,000 Domestic Shares of our Company. Accordingly, Mr. Liu Bolin is deemed to be interested in the 120,000,000 Domestic Shares held by Sichuan Hongrun Trading Co., Ltd.
- (vii) Mr. Feng Yongxiang is the brother of Mr. Feng Yonglin, who directly holds 80% of the equity interests of Chongqing Puzhao Hengyi Investment Co., Ltd., which directly holds 53,430,613 Domestic Shares of our Company. Accordingly, Mr. Feng Yongxiang is deemed to be interested in the 53,430,613 Domestic Shares held by Chongqing Puzhao Hengyi Investment Co., Ltd.. Mr. Feng Yongxiang is the son of Ms. Yu Zhaozheng, who directly holds 53,430,613 Domestic Shares of our Company. Accordingly, Mr. Feng Yongxiang is deemed to be interested in the 53,430,613 Domestic Shares held by Ms. Yu Zhaozheng.

(b) Interest in our Associated Corporations

Name	Position	Name of Associated Corporations	Percentage Shareholding
Mr. Tu (i)	Non-executive Director	Loncin Holdings, Loncin Group and their respective associates	100
Mr. Zhang Guoxiang	Executive Director	Huitai	62.09
Mr. Lin Feng	Executive Director	Huitai	5.61
Mr. Li Ruping	Supervisor	Huitai	4.05

Note:

- (i) Mr. Tu directly holds 98% of the equity interests of Loncin Group, which directly holds 98% of the equity interests of Loncin Holdings. Mr. Tu also directly holds 2% of the remaining equity interests of Loncin Holdings. Accordingly, Mr. Tu is deemed to hold 100% equity interests of Loncin Holdings.

C. Particulars of Service Contracts

Each of our executive Directors and non-executive Directors has entered into a service contract with our Company on February 17, 2014, with a term of three years commencing from the Listing Date, which may be terminated in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable laws, rules or regulations.

Each of the Supervisors has entered into a contract in respect of, among others, compliance with relevant laws and regulations, observation of the Articles of Association and provision of arbitration with our Company on February 17, 2014.

Save as disclosed above, none of our Directors or Supervisors has or is proposed to have a service contract with us (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

D. Directors' and Supervisors' Remuneration

For the three years ended December 31, 2010, 2011, 2012 and the ten months ended October 31, 2013, the aggregate amount of salaries, allowances, discretionary bonus, pension-defined contribution plans and other benefits in kind (if applicable) paid by us to our Directors and Supervisors were approximately RMB1.1 million, RMB1.6 million, RMB1.5 million and RMB4.0 million, respectively. In addition, we also recognized RMB84.1 million of sharebased payment expense during the ten months ended October 31, 2013 in connection with the share incentive plan granted to our Directors and Supervisors. Given that the executive share incentive scheme will last for a continuous eight years starting from January 1, 2013 and that each Grantee is entitled to dispose 12.5% of his effective interest each year as disclosed in the "Directors, Supervisors, Senior Management and Employees — Share Incentive Scheme", we expect to incur relevant non-cash share based payment on a monthly basis for each of the aforementioned eight years. Save as disclosed under Note 7 in the Accountants' Report set out in Appendix I to this prospectus, no Director or Supervisor received other remuneration or benefits in kind from the Company in respect of the three financial years ended December 31, 2010, 2011, 2012 and ten months ended October 31, 2013.

Under the current arrangements, our Directors and Supervisors will be entitled to receive compensation (including remuneration and benefits in kind) from our Company for the year ending December 31, 2014 under arrangement in force as of the date of this prospectus which is expected to be approximately RMB8.0 million in aggregate. In addition, we expect to recognize RMB86.7 million of sharebased payment expense during the year ending December 31, 2014 in connection with the share incentive plan granted to our Directors and Supervisors. Given that the executive share incentive scheme will last for a continuous eight years starting from January 1, 2013 and that each Grantee is entitled to dispose 12.5% of his effective interest each year as disclosed in the "Directors, Supervisors, Senior Management and Employees — Share Incentive Scheme", we expect to incur relevant non-cash share based payment on a monthly basis for each of the aforementioned eight years.

E. Agency Fees or Commissions Paid or Payable

Save as disclosed in this prospectus, none of the Directors or any of the persons whose names are listed in the paragraph headed “Consents” in this Appendix VII had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of our Company or any of our subsidiaries within the two years ended on the date of this prospectus.

F. Related Party Transactions

During the two years preceding the date of this prospectus, we have engaged in the material related party transactions as described in Note 31 to the financial information in the Accountants’ Report set out in Appendix I to this prospectus.

G. Personal Guarantees

Our Directors and Supervisors have not provided personal guarantees in favor of lenders in connection with banking facilities granted to us.

H. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors, Supervisors or chief executive of our Company has any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code to be notified to us and the Stock Exchange, in each case once our Shares are listed. For this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors;
- (b) none of our Directors or Supervisors nor any of the parties listed in the paragraph headed “Qualification of Experts” of this appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
- (c) none of our Directors or Supervisors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once the Shares are listed on the Stock Exchange;

- (d) save as disclosed in this prospectus or in connection with the Underwriting Agreements, none of our Directors or Supervisors nor any of the parties listed in paragraph headed “Qualification of Experts” of this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is unusual in nature or which is significant in relation to our business;
- (e) none of the parties listed in the paragraph headed “Qualification of Experts” of this appendix: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and
- (f) none of our Directors or Supervisors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest customers.

5. OTHER INFORMATION

A. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon us.

B. Litigation

Save as disclosed in the “Business — Legal Proceedings and Compliance” section of this prospectus, as of the Latest Practicable Date, our Company is not involved in any material litigation, arbitration or administrative proceedings. So far as we are aware, no such litigation, arbitration or administrative proceedings are pending or threatened against any member of the Company.

C. Joint Sponsors

The Joint Sponsors have declared their independence pursuant to Rule 3A.07 of the Listing Rules. The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, our Shares, including any Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

D. Preliminary Expenses

The preliminary expenses of our Company are approximately RMB3.04 million and were borne by our Company.

E. Qualification of Experts

The qualifications of the experts who have given opinions in this prospectus are as follows:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO
China Galaxy International Securities (Hong Kong) Co., Limited	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified public accountants
DeHeng Law Offices	PRC legal advisors

F. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial or trading position since October 31, 2013.

G. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies Ordinance so far as applicable.

H. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

I. Miscellaneous

Save as disclosed in this prospectus within the two years immediately preceding the date of this prospectus,

- (a) no share or loan capital of our Company or any of our subsidiaries has been issued or is proposed to be fully or partly paid for in cash or a consideration other than cash;
- (b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no founders or management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (d) the Company has no outstanding convertible debt securities or debentures;
- (e) no commissions, discounts, brokerages or other special terms have been granted or agreed to be in connection with the issue or sale of any share or loan capital of the Company or any of our subsidiaries;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there has been no interruption in the business of the Company which may have or has had a significant effect on the financial position of the Company in the last 12 months preceding the date of this prospectus;
- (h) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (i) there is no subsidiary in our Group which is a Sino-foreign equity joint venture or which operates as or under a cooperative or contractual joint venture; and
- (j) we currently do not intend to apply for the status of a Sino-foreign investment joint stock limited company and do not expect to be subject to the PRC Sino-Foreign Joint Venture Law.

J. Consents

Each of the experts as referred to in the paragraph headed “Qualification of Experts” in this appendix has given, and has not withdrawn, their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or the references to their names included herein in the form and context in which they are respectively included.

Save as disclosed in this prospectus, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Company.

K. Promoters

The promoter of our Company are ten corporate investors and 19 individual investors, including Loncin Holdings and Huitai.

Saved as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Hong Kong Public Offering and the related transactions described in this prospectus.